



## BUSINESS ACCOUNT AGREEMENT Terms and Conditions for Business Accounts July 2022

IMPORTANT DOCUMENT – PLEASE KEEP FOR YOUR RECORDS

American First Credit Union  
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Welcome to American First Credit Union.

### ALL ABOUT YOUR BUSINESS ACCOUNTS

- TERMS AND CONDITIONS
- FUND TRANSFERS
- FUNDS AVAILABILITY
- SPECIFIC ACCOUNT DETAILS

### TERMS AND CONDITIONS OF YOUR BUSINESS ACCOUNT

**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 or entity who opens an account/membership. What this means for you: American First Credit Union will ask each signer/owner name, address, date of birth (for individuals), and other information that will allow us to identify you. We may also ask to see your driver's license (for individuals) or other identifying documents.

Each time an account is opened for a covered Legal Entity, we are required to ask you for identifying information (name, address, date of birth, Social Security number, as well as identify documents) for: Each individual that has beneficial ownership (25% or more); and one individual that has significant managerial control of the Legal Entity. If you are opening an account on behalf of a Legal Entity you will be required to provide the appropriate documentation and to certify that this information is accurate to the best of your knowledge. Additionally, you will be required to notify the Credit Union of any changes in the beneficial ownership information.

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate Schedule of Fees & Services, and Truth in Savings Agreement applicable to the account type opened which reflects the qualifying balance if they are not included in this document. If you have any questions, please call us. This agreement is subject to applicable Federal laws, the laws of the state of California and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) Summarize some laws that apply to common transactions;
- (2) Establish rules to cover transactions or events which the law does not regulate;
- (3) Establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) Give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

#### Terms and Conditions Applicable to All Accounts

1. To join the Credit Union and receive membership privileges you must complete Membership/Application pay a one-time, nonrefundable Membership Fee (entrance fee) of \$5.00. You must be and remain a member in good standing to maintain any account.
2. Our delay in enforcing any of the terms and conditions of this Agreement shall not prohibit us from enforcing such terms and conditions at a later date.
3. 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 you or what purports to be your oral, written, or electronic instructions.
4. We reserve the right to refuse to open any account, to limit or restrict services, or to accept additional deposits to an existing account at our discretion.
5. We may endorse and/or collect items deposited to your account without our endorsement but may require your personal endorsement prior to accepting an item for deposit. If you deposit items which bear the endorsement of more than one person or persons that are not known to us or that

require endorsement of more than one payee, we may refuse the item or require all endorsers to be present or to have their endorsements guaranteed before we accept the item.

6. You authorize us to accept items payable to any account owner for deposit to your account from any source without questioning the authority of the person making the deposit.

7. You understand and agree that we may utilize automated means to process checks and other items written on or deposited to your account. Although we may manually review checks or other items drawn on your account, you understand and agree reasonable commercial standards do not require us to do so.

8. We will provide statements and other notices only to the Business Name that appears on the Membership Application.

9. We or you may terminate an 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. Moreover, if we receive conflicting claims to funds in an account we hold, we may, at our discretion, restrict the account and deny access to all; close the account and send the funds to the owner or owners of the account, according to our records, at the account mailing address; interplead all or any portion of the funds from an account to the court; or hold the funds, without liability to anyone, pending resolution of the claim to our satisfaction.

10. We reserve the right to close any account(s) should we discover that any of your accounts or any other accounts with us have been deliberately manipulated by you to our, any other account holder's, and/or our membership's detriment. "Manipulation" includes, but is not limited to, making unauthorized withdrawals or other transactions, kiting, and repeated patterns of transactions which have no apparent business reason other than to take advantage of Regulation "CC" hold periods and/or "interest float" to our detriment.

11. We reserve the right according to the Credit Union By-Laws to expel your membership due to a conviction of a criminal offense, failure to carry out your contracts with the Credit Union, refusal to comply with the provisions of the California Credit Union Law or of the Credit Union By-laws, shall be cause for the expulsion of any member.

12. You warrant and agree that you will not use Credit Union accounts or services, including but not limited to loans, to make or facilitate any illegal transactions as determined by applicable law; and that any such use, including any such authorized use, will constitute an event of default under this Agreement. You agree that the Credit Union will not have any liability, responsibility, or culpability whatsoever for any such use by you or any authorized users. You further agree to indemnify and hold the Credit Union harmless from any lawsuits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

13. 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.

14. If there is a dispute or question as to the ownership of the account. If conflicting demands over the ownership or control of an account arise or you are unable to determine any person's continuing authority to give instructions we may, at our sole discretion: (1) freeze the account and withhold payment from you until American First Credit Union receives proof (in form and substance satisfactory to the Credit Union) of your right and authority over the account and its funds; (2) require the signatures of all you for the withdrawal of funds, or closing of the account, or any change in the authorized signers or owners of the account; and/or (3) request instructions from a court regarding the ownership or control of the account. 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" in the event there is a dispute or uncertainty over an account's ownership or control.

15. You are required to keep us informed of your current address. You agree to notify us promptly of any change of address. You may notify us in person at our office, by logging into Online Banking and using the update form or by sending a written and signed notice to:

**American First Credit Union, P.O. Box 2477, Brea, CA 92822-2477.**

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

1. You agree to notify us immediately of the death or court declared incompetence of any authorized signer on your account.
2. All accounts are subject to our Schedule of Fees & Services, which accompanies this Agreement is incorporated by this reference. We shall debit such charges against any account you own
3. California law states that inactive account balances in savings, checking, and matured Term Share (Certificate) accounts must escheat to the state after a period of three (3) years since the last time you:
  - a. 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
  - b. Corresponded in writing or electronically with us concerning the funds on deposit; or respond as instructed to a notice of inactivity or dormancy

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

If California state law is not applicable to you, the Credit Union will escheat according to your state of residency as evidenced on your account records.

We may charge a fee for mailing an escheat notice and/or a service charge for monies escheated to the state. To recover funds turned over to the state, you must file a claim with the state.

4. Federal law requires us to report certain domestic currency transactions and foreign transactions. This reporting applies to all member accounts at the Credit Union.
5. We agree to retain and furnish to you, if requested, photocopies of certain records pertaining to your account and that these records for the period required by law will be available to you. You agree to pay applicable fees for those copies.
6. You understand and agree that we must comply if we are served with any notice of garnishment or of attachment, tax levy, injunction, restraining order, subpoena, or other legal process relating to your account that we reasonably believe is valid. We may charge a fee, and we may assess this fee against any account you maintain with us, including the account that is the subject of the legal process.
7. In the event that a corporate check is lost or stolen, you must execute and deliver to us a written Declaration of Lost, Stolen, or Destroyed Check to us and in time for us to have a reasonable time to act thereon. You further understand and agree that the Declaration of Lost, Stolen or Destroyed Check is not enforceable until the later of (i) the time the Declaration of Lost, Stolen, or Destroyed Check is properly delivered

to us, or (ii) the 90th day following the date of the corporate check. You agree to indemnify us for any loss or claim occasioned by us attempting to or stopping payment on such check.

8. 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.
9. 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 or other personal information or means of access to your account.
10. Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund. The amount of insurance coverage depends on the number of accounts we have with you and the ownership of those accounts.
11. An action or proceeding by you to enforce an obligation, duty, or right arising under this Agreement and Disclosure or by law with respect to your account must be commenced within one (1) year after the cause of action occurs.
12. You agree to indemnify, defend, and hold us and our employees harmless from and against every claim expense including, without limitation, attorneys' fees, which we incur by acting in accordance with this Agreement and Disclosure or as a result of your failure to abide by its terms.
13. Your account will be governed by California law, to the extent that California law is not inconsistent with controlling federal law. However, California's choice of law rules shall not be applied if that would result in the application of non-California law.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the Schedule of Fees & Services. You authorize us to deduct these fees, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable fees for services you request which are not covered by this agreement. Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from fees or overdrafts, whether caused by you or another with access to this account. This liability is due immediately and can 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. You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of endorsement or lack of endorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit.

## **WITHDRAWALS**

**Generally** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to endorse any item payable to you or your order for deposit to this account or any other transaction with us.

**Cash Transactions** All cash transactions are final. If you need cash in the amount of \$5,000 or more from us, we may require a 48-hour advance notice. We are required by the Bank Secrecy Act to file certain reports and follow specific member identification procedures in cases of large currency transactions. In our effort to accommodate as many members as possible in the event of a disaster or other emergency, we reserve the right to limit the amount of funds that can be withdrawn from your account.

**Postdated checks** - A postdated 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 postdated check even though payment was made before the date of the check because we process checks mechanically.

**Checks and withdrawal rules** - We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify it as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification. If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

**Overdraft Privilege** – refer to the Overdraft Privilege disclosure provided to you at the time of your checking account is established, or contact us in writing at P.O. Box 2477 Brea, CA 92822-2477, by telephone at 800.290.1112, or by emailing us at [contactus@amerfirst.org](mailto:contactus@amerfirst.org)

Overdrafts which cannot be honored are payable on demand and may result in termination of your account(s).

**Electronic check conversion and similar transactions** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions, the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

**BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS** – Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

**STOP PAYMENTS** - Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was verbal your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorney fees. 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. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

**TELEPHONE TRANSFERS** - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

**AMENDMENTS AND TERMINATION** - We may change any term of this agreement. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. You agree to keep us informed of your current address at all times. Notice from us to any one of you is notice to all of you. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

**STATEMENTS/IMAGES/ONLINE HISTORY - Your duty to report unauthorized signatures, alterations and forgeries.** You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you. You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

**Your duty to report other errors** - In addition, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. You agree that the time you have to examine your statement and report to us will depend on the circumstances. However, such time period shall not exceed 60 days. Failure to examine your statement and report any such errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any such errors on items identified in that statement and as between you and us the loss will be entirely yours.

**ACCOUNT TRANSFER** - This account may not be transferred or assigned without our prior written consent.

**DIRECT DEPOSITS** - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, 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.

**RIGHT TO REPAYMENT OF INDEBTEDNESS** - You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance the due date for which we properly accelerate under the note. In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien. Neither our contract rights nor rights under a statutory lien apply to this account if prohibited by law. For example, neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) 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), or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs

because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

**RESTRICTIVE LEGENDS** - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for special instructions or "restrictive legends" on every check. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." 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 restriction. We are not responsible for any losses, claims, damages, or expenses that result from your placement of these or other special instructions on your checks.

**FICTITIOUS BUSINESS NAME ACCOUNTS** - If the name in which the account is held is fictitious, each account holder represents that one or more of the account holders have the right to use that name and have fulfilled all legal requirements for using and or doing business under that name.

**FACSIMILE SIGNATURES** - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

**CHECK PROCESSING** - We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. 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 magnetic ink. You agree that we have not failed to exercise ordinary care solely because we use our automated system to process items and do not inspect all items processed in such a manner. Using an automated process helps us keep costs down for you and all account holders.

**CHECK CASHING** - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

**TRUNCATION, SUBSTITUTE CHECKS, AND OTHER CHECK IMAGES** - If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our internal policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

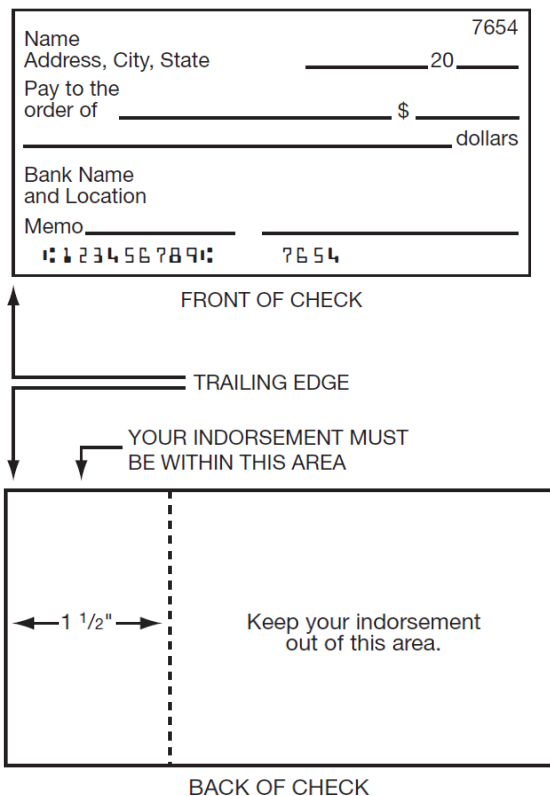
**REMOTELY CREATED CHECKS** - Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line. For example, if a person provides an account number in response to a telephone solicitation, the telephone solicitor can use the account number to issue a remotely created check to withdraw money from that account.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

**UNLAWFUL INTERNET GAMBLING NOTICE** - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling. We may deny authorization of any transactions identified as gambling. You understand that engaging in this prohibited activity and/or transactions may result in the closure of your account.

**ENDORSEMENTS** - We may accept for deposit any item payable to you or your order, even if they are not endorsed by you. We may give cash back to any one of you. We may supply any missing endorsement(s) for any item we accept for deposit or collection, and you warrant that all endorsements are genuine. To ensure that your check or share draft is processed without delay, you must endorse it (sign it on the back) in a specific area. Your entire endorsement (whether a signature or a stamp) along with any other endorsement information (e.g. additional endorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Endorsements must be made in blue or black ink, so that they are readable.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all endorsement information within 1 1/2" of that edge.



It is important that you confine the endorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed endorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your endorsement, another endorsement or information you have printed on the back of the check obscures our endorsement. These endorsement guidelines apply to both personal and business checks.

**DEATH OR INCOMPETENCE** - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or becomes legally incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or legal incompetence for up to ten (10) days after your death or legal incompetence unless ordered to stop payment by someone claiming an interest in the account.

**CREDIT VERIFICATION** - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

**LEGAL ACTIONS AFFECTING YOUR ACCOUNT** - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

**SECURITY** - 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). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who 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 remove money from your account. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (to purchase a service or merchandise, for example), payment can be made from your account even though you did not contact us directly and order the payment. You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

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, such as positive pay or commercially reasonable security procedures, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith or to the extent our negligence contributed to the loss.

**TELEPHONIC INSTRUCTIONS** - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

**CLAIM OF LOSS** - If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. We will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you. You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

**EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals)** – We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

**ADDRESS OR NAME CHANGES** – You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. You may notify us in person at our office, by logging into Online Banking and using the update form or by sending a written signed notice to:

**American First Credit Union, P.O. Box 2477, Brea, CA 92822-2477.**

We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

All name changes require supporting documentation.

**RESOLVING ACCOUNT DISPUTES** - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

**WAIVER OF NOTICES** - You waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account.

**FUNDS TRANSFERS** - The terms used in this section have the meaning given to them in Article 4A of the Uniform Commercial Code - Funds Transfers (UCC 4A). This section is subject to UCC 4A as adopted in the state of California. This agreement is also subject to all clearing house association rules, rules of the Board of Governors of the Federal Reserve System and their operating circulars. If any part of this agreement is determined to be unenforceable, the rest of the agreement remains effective. This agreement controls funds transfers unless supplemented or amended in a separate written agreement signed by us. This agreement does not apply to a funds transfer if any part of the transfer is governed by the Electronic Fund Transfer Act of 1978 (EFTA), except this agreement does apply to a funds transfer that is a remittance transfer as defined in EFTA unless the remittance transfer is an electronic fund transfer as defined in EFTA.

**Funds transfer** - A funds transfer is the transaction or series of transactions that begin with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. A funds transfer is completed by the acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's order. You may give us a payment order orally, electronically, or in writing, but your order cannot state any condition to payment to the beneficiary other than the time of payment.

**Authorized account** - An authorized account is an account you have with us that you have designated as a source of payment of payment orders you issue to us. If you have not designated an authorized account, any account you have with us is an authorized account to the extent that payment of the payment order is not inconsistent with the use of the account.

**Acceptance of your payment order** - We are not obligated to accept any payment order that you give us, although we normally will accept your payment order if you have a withdrawable credit in an authorized account sufficient to cover the order. If we do not execute your payment order, but give you notice of our rejection of your payment order after the execution date or give you no notice, we are not liable to pay you as restitution any interest on a withdrawable credit in a non-interest-bearing account.

**Cutoff time** - If we do not receive your payment order or communication canceling or amending a payment order before our cutoff time of 11:30 a.m. on a funds transfer day for that type of order or communication, the order or communication will be deemed to be received at the opening of our next funds transfer business day.

**Payment of your order** - If we accept a payment order you give us, we may receive payment by automatically deducting from any authorized account the amount of the payment order plus the amount of any expenses and fees for our services in execution of your payment order. We are entitled to payment on the payment or execution date. Unless your payment order specifies otherwise, the payment or execution date is the funds transfer date we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and fees for our services. However, if you told us to route the funds transfer through an intermediate bank, and we are unable to obtain a refund because the intermediate bank that you designated has suspended payments, then you are still obligated to pay us for the payment order. You will not be entitled to interest on any refund you receive because the beneficiary's bank does not accept the payment order.

**Security procedure** – The authenticity of a payment order or communication canceling or amending a payment order issued in your name as sender may be verified by a security procedure by the Credit Union.

**Duty to report unauthorized or erroneous payment** - You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us will depend on the circumstances, but that time will not in any circumstance exceed 14 days from when you are notified of our acceptance or execution of the payment order or amendment or that your account was debited with respect to the order or amendment. If you do not provide us with timely notice you will not be entitled to interest on any refundable amount. If we can prove that you failed to perform either of these duties with respect to an erroneous payment and that we incurred a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

**Identifying number** - If your payment order identifies an intermediate bank, beneficiary bank, or beneficiary by name and number, we and every receiving or beneficiary bank may rely upon the identifying number rather than the name to make payment, even if the number identifies an intermediate bank or person different than the bank or beneficiary identified by name. Neither we nor any receiving or beneficiary bank have any responsibility to determine whether the name and identifying number refer to the same financial institution or person.

**Record of oral or telephone orders** - You agree that we may, if we choose, record any oral or telephone payment order or communication of amendment or cancellation.

**Notice of credit** - If we receive a payment order to credit an account you have with us, we are not required to provide you with any notice of the payment order or the credit.

**Provisional credit** - You agree to be bound by the automated clearing house association operating rules that provide that payments made to you or originated by you by funds transfer through the automated clearing house system are provisional until final settlement is made through a Federal Reserve Bank or otherwise payment is made as provided in Article 4A-403(a) of the Uniform Commercial Code.

**Refund of credit** - You agree that if we do not receive payment of an amount credited to your account, we are entitled to a refund from you in the amount credited and the party originating such payment will not be considered to have paid the amount so credited.

**Amendment of funds transfer agreement** - From time to time we may amend any term of this agreement by giving you reasonable notice in writing. We may give notice to anyone who is authorized to send payment orders to us in your name, or to anyone who is authorized to accept service.

**Cancellation or amendment of payment order** - You may cancel or amend a payment order you give us only if we receive the communication of cancellation or amendment before our cutoff time and in time to have a reasonable opportunity to act on it before we accept the payment order.

**Intermediaries** - We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary. We are not responsible for acts of God, outside agencies, or non-salaried agents.

**Limit on liability** - You waive any claim you may have against us for consequential or special damages, including loss of profit arising out of a payment order or funds transfer, unless this waiver is prohibited by law. We are not responsible for attorney fees you might incur due to erroneous execution of payment order.

**Erroneous execution** - If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

**Objection to payment** - If we give you a notice that reasonably identifies a payment order issued in your name as sender that we have accepted and received payment for, you cannot claim that we are not entitled to retain the payment unless you notify us of your objection to the payment within 60 days of our notice to you. **INACTIVE CHECKING ACCOUNTS.** If you maintain a balance of less than \$250 in your checking account and you have not made a withdrawal from, deposit to, or transfer involving the account in more than sixty (60) days, we may classify your checking account as inactive. You understand and agree that inactive checking account(s) that fall into this category will be closed by us, and we will transfer the entire checking account balance into a regular Savings Account and be subject to all terms and conditions applicable to regular Savings Accounts; including minimum balances requirements to (a) avoid monthly service fees, and to (b) obtain disclosed Annual Percentage Yield (APY). Please refer to the regular Savings Accounts section in this document, Loan & Deposit Rate Summary, and Schedule of Fees & Services for details.

#### **YOUR ABILITY TO WITHDRAW FUNDS**

This policy statement applies to "transaction" accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Share draft accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this policy.

Our policy is to make funds from your cash and check deposits available to you on the next business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash, and we will use the funds to pay checks that you have written. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving 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 closing 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 closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open. If you make a deposit at an ATM before 3:00 P.M. 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 at an ATM after 3:00 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open. If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

#### **LONGER DELAYS MAY APPLY**

**Case-by-case delays.** In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 of your deposits, however, will be available on the first business day.

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

**Safeguard exceptions.** In addition, funds you deposit by check may be delayed for a longer period under the following circumstances: We believe a check you deposit will not be paid. You deposit checks totaling more than \$5,525 on any one day. You redeposit a check that has been returned unpaid. You have overdrawn your account repeatedly in the last six months. There is an emergency, such as failure of computer or communications equipment. We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

#### **SPECIAL RULES FOR NEW ACCOUNTS**

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



Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the ninth (9<sup>th</sup>) 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 \$5,525 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 ninth business day after the day of your deposit.

### DEPOSITS AT AUTOMATED TELLER MACHINES

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 business day after the day of your deposit. Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will be available on the second business day after the day of deposit, except that U.S. Treasury checks that are payable to you will be available on the first business day after the day of deposit. Also, the first \$225 of a deposit will be available on the first business day after the day of deposit. Checks drawn on American First Credit Union will be available on the first business day after the day of deposit if the deposit is made at an ATM located on our premises. All ATMs that we own or operate are identified as our machines.

### SPECIFIC ACCOUNT DETAILS

#### Totally Free Business Checking Account

**Opening requirements:** The minimum balance required to open this account is \$50.00.

**Minimum balance requirements:** There is no minimum balance required.

**Dividend earnings:** Totally Free Business Checking account does not earn dividends.

**Transaction limitations:** You are allowed 1,000 free items (debits and credits) each month. Thereafter a per item fee will apply. You may deposit up to \$10,000 in currency per month; thereafter, a fee per \$1,000 will apply.

**Fees and charges:** Refer to the Schedule of Fees & Services for fee amounts.

#### Business Interest Checking Account

**Opening requirement:** The minimum deposit required to open a Business Interest Checking Account is \$50.00

**Minimum balance requirements:** You must maintain a minimum daily balance of \$1,500 in your account to avoid a monthly service charge fee. If, during any month, your daily balance is below the required minimum, your account will be subject to a monthly service charge fee.

All balances earn dividends based on the average daily balance, paid and compounded monthly. The dividend rate and Annual Percentage Yield, (APY) may change at any time, as determined by the Credit Union's Board of Directors or designated committee. For the dividend rate and Annual Percentage Yield, APY for this Account call us at 800.290.1112 or check the rates online at [www.amerifirst.org](http://www.amerifirst.org).

**Dividend earning:** Minimum balance to earn APY is \$0.01, fees could reduce earnings. Dividends will not be compounded. Dividends will be credited to the account every month.

**Dividend type:** This is a variable rate interest-bearing checking account. The interest rate and the annual percentage yield (APY) may change at any time at the Credit Union's discretion.

**Minimum balance fee:** Refer to the Schedule of Fees & Services for the minimum balance fee that will be charged if minimum balance requirements are not met.

**Transaction limitations:** You are allowed 1,000 free items (debits and credits) each month. Thereafter a per item fee will apply. You may deposit up to \$10,000 in currency per month; thereafter, a fee per \$1,000 will apply.

#### Fees and charges:

Refer to the Schedule of Fees & Services for fee amounts.

#### Savings Account

**Opening requirement:** The minimum deposit required to open a Business Savings Account is \$50.

**Minimum balance requirement:** The monthly service fee is waived with a month end minimum balance of \$500 or with an additional business share or loan product.

**Dividend earning:** You must maintain a minimum average daily balance of \$500 in this account to obtain the disclosed Annual Percentage Yield (APY). Average daily balances of \$10,000 or more may earn a slightly higher Annual Percentage Yield (APY). Dividends will compound.

**Dividend type:** This is a variable rate interest-bearing savings account. The interest rate and the annual percentage yield (APY) may change at any time at the Credit Union's discretion. Call us at 800.1112 or check the rates online at [www.amerifirst.org](http://www.amerifirst.org).

**Minimum balance fee:** Refer to the Schedule of Fees & Services for the minimum balance fee that will be charged if minimum balance requirements are not met or you do not have a secondary American First account.

#### Premium Money Market Account

**Opening requirement:** The minimum deposit required to open the Premium Money Market Account is \$2,500.

**Minimum balance requirements:** I must maintain a minimum daily balance of \$2,500 or more in this account in order to avoid the monthly service fee.

**Dividend type & Dividend Earnings:** The Premium Money Market Account is a tiered, variable rate account. The minimum daily balance required to obtain the disclosed Annual Percentage Yield (APY) for Tier 1 is \$2,500, for Tier 2 is \$10,000, for Tier 3 is \$50,000, and for Tier 4 is \$100,000. The dividend rate and APY may change at any time as determined by the Credit Union's Board of Directors. The dividend rate and APY are based upon the daily balance in the account. If my daily balance is increased or decreased, the dividend rate and APY for the appropriate tier will be paid on the daily balance in the account.

**Minimum balance fee:** Refer to the Schedule of Fees & Services for the minimum balance fee that will be charged if minimum balance requirements are not met.

**Account provisions:** I may not pledge any of the funds on deposit in the account as security for any loan(s). I may not make more than six (6) withdrawals or transfers to another credit union account of mine or to a third party using any combination of preauthorized or automatic transfers or telephonic orders or instructions per statement period.

#### Business Share Certificates

**Opening requirement:** The minimum deposit required to open a Term Share Certificate is \$1,000.

**Minimum balance requirements:** The opening minimum balance of \$1,000 must be maintained or the certificate is subject to closure.

**Dividend type & Dividend Earnings:** The Term Share Certificate is a variable rate product; however, the dividend rate will be locked at account opening for the initial term of the account. The minimum balance to obtain the disclosed Annual Percentage Yield (APY) is \$1,000. Funds must remain

on deposit until maturity to earn the stated APY. A penalty may be imposed for early withdrawal. Fees may reduce earnings, whether earned or not, and may reduce principal. Dividends will be credited to your account every month.

Daily balance computation method: We use the daily balance method of computation, which means a daily periodic rate is applied to the balance (principal plus accrued dividends) of your account each day. The daily periodic rate is 1/365 of the annual dividend rate. Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

**Minimum balance fee:** None, however accounts that do not maintain the opening requirement balance are subject to closure.

#### **Payment of Dividends**

**Dividend Rates:** The frequency and conditions upon which dividends are paid on all accounts are in accordance with the Bylaws of this Credit Union, state 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.

For all accounts except term share (certificate) accounts, the Dividend Rate and Annual Percentage Yield (APY) may change at any time as determined by the Credit Union's Board of Directors. For specific dividend rate(s) for each type of dividend bearing account, refer to the Rate Schedule, which accompanies this Agreement and Disclosure, and which is incorporated by this reference.

**Dividend Period:** For all accounts except term share (certificate) accounts, dividends will be compounded monthly and will be credited monthly. Dividends on term share (certificate) accounts are compounded daily and will be credited monthly and at maturity. For all account types, 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 February 1. If you close the account before dividends are credited, you may not receive the accrued dividends.

**Balance Computation Method:** Dividends on Direct Deposit Certificate Builder, Term Share Certificate Accounts, and Premium Money Market Accounts are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account each day. Dividends on all other account types are calculated by the average daily balance method, which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

**Accrual of Dividends:** Dividends will begin to accrue on the business day on deposit non-cash items (e.g., checks) to the account

**Transaction limitations:** After the account is opened, you may not make additions into the account until the maturity date stated on the account. You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty. You can only withdraw dividends credited in the term before maturity of that term without penalty. You can withdraw dividends anytime during the current term after they are credited to your account. Withdrawals that take the balance below the minimum balance requirement constitute closure of the account and any applicable penalties.

**Callable account:** We may redeem this account, at our option, at any time, after 30 calendar days' notice.

**Early withdrawal penalties:** A penalty may be imposed for withdrawals before maturity:

If you withdraw any principal before the Term's maturity date, a penalty will be imposed as follows: the early withdrawal penalty will be equal to one-half of the term's dividends, whether earned or not, and may reduce the principal.

**Withdrawal of dividends prior to maturity:** The Annual Percentage Yield, APY is based on an assumption that dividends will remain in the account until maturity. A withdrawal will reduce earnings.

**Automatically renewable account:** This account will automatically renew at maturity. You may prevent renewal if: you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any), or we receive written notice from you within the grace period mentioned below, if any, or you can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, dividends will not accrue after final maturity. Each renewal term will be the same as the original term if offered or for a term less than the original beginning on the maturity date, following the grace period. The dividend rate will be the same we offer on new term share accounts on the maturity date which have the same term, minimum balance (if any) and other features as the original term share account. You will have a grace period of seven calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

**National Credit Union Share Insurance Fund:** Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund.

Refer to our separate Schedule of Fees & Services for additional information about account related charges. **The current Schedule of Fees & Services is available at [www.amerfirst.org](http://www.amerfirst.org) or by request. For current interest rates call us at 800.1112 or check online.**

AMERICAN FIRST CREDIT UNION  
6 Pointe Drive Ste 400  
Brea, CA 92821-6322  
800.290.1112

Harbor & Imperial Branch  
4180 N Harbor Blvd Ste A  
Fullerton, CA 92835

Buena Park Branch  
6011 Lincoln Avenue, Ste B  
Buena Park, CA 90620

Orange Branch  
247 E. Katella Avenue  
Orange, CA 92867