



Master Account Agreement and Disclosure

TRUTH IN SAVINGS
ELECTRONIC FUND TRANSFER
FUNDS AVAILABILITY

Chevron Federal Credit Union is doing business as Spectrum Credit Union. Thank you for opening an account with Spectrum Credit Union. By doing so and by depositing money in the account, you and the Credit Union agree that the account and all transactions to the account will be governed by this Master Account Agreement and Disclosure, the Membership Application and Agreement card and the Credit Union's by-laws and procedures.

Your Credit Union offers a selection of accounts to meet all of your financial needs, including Savings Accounts, Checking Accounts, Money Market Accounts, Share Certificates, tax-deferred Individual Retirement Accounts (IRAs), and Health Savings Accounts (HSAs).

This is a Master Account Agreement and Disclosure of the terms of all Spectrum Credit Union accounts, as well as the terms of use of Automated Teller Machines, PC Access, and Telephone Access. This Agreement supplements the terms of the Membership Application and Agreement card which provides signatures and authorizations.

When you open a specific account you will also receive a receipt for the deposit. A notice of additional terms will be mailed to you if necessary. Not all of the terms spelled out in this disclosure apply to every account. Refer to the sections that apply to the specific type of account(s) that you opened.

Keep this Agreement, as well as a copy of the original account receipt and any other account confirmation, with your permanent documents.

Your periodic statements will let you know the status of your account(s).

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I. INTRODUCTION

This Master Account Agreement and Disclosure document (this "Agreement"), 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 Membership Application and Agreement or open or continue to use the account, you agree to these rules, our by-laws, and any by-law amendments. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. You agree to pay the fees we charge, and you give us the right to collect any fees, as earned, directly from your account balance. The Rate Sheet and Fee Schedule, as amended from time to time, are incorporated by reference into this Agreement and made a part of it. If you have any questions, please call us.

As used in this disclosure, the words "we," "our," and "us" mean Spectrum and the words "you" and "your" mean the owner(s) of the account(s) and any "agent" appointed on behalf of the owner(s) to sign on the account in a representative capacity.

A. SPECTRUM CREDIT UNION "Spectrum" - Spectrum is a federally chartered credit union. Spectrum is a cooperative non-profit financial organization. It provides members with a place to save, a source of loans at reasonable rates and offers related financial services.

B. MEMBERSHIP - You must be and remain a member in good standing to maintain any account. As a member, you are entitled to use the services of Spectrum. To maintain your individual membership, you must keep a balance of at least \$25.00 in your Primary Savings Account at all times. To maintain a Joint membership account, a balance of \$50.00 must be maintained. Should the balance in your Primary Savings Account fall below \$25.00 (or \$50.00 for Joint membership account) Spectrum will assess a monthly Low Balance fee. Spectrum can also restrict or discontinue any or all services normally available to you; and if you do not restore the minimum balance in your Primary Savings Account within six months of the reduction, your membership will terminate. If you cause a loss to Spectrum, we will terminate all services other than maintenance of a single Share Account and the right to vote at annual meetings and special meetings. Members whom Spectrum determines are abusive to staff may have sanctions imposed upon them (see Section III. TERMS AND CONDITIONS II. SANCTIONS).

C. INSURANCE - Funds on deposit with Spectrum are insured up to \$250,000 per qualifying account by the National Credit Union Share Insurance Fund, administered by the National Credit Union Administration, which is an independent agency of the United States Government.

D. COMMENTS OR CONCERNS - You may discuss any comments or concerns about your membership or your accounts by visiting a local Spectrum branch, by sending a secure message through PC Access via Secure Support or by contacting our Call Center at 800-782-8782. If you cannot resolve the issue, you can contact:

Chairperson of the Supervisory Committee
Chevron Federal Credit Union
P.O. Box 2069
Oakland, CA 94604-2069
OR
National Credit Union Administration Western Region
1230 West Washington St., Ste. 301
Tempe, AZ 85281
602-302-6000

E. DEFINITIONS - A number of terms defined by credit union regulations are not generally used by the public. For ease of understanding, we will use the more accepted terminology in the disclosure as listed below:

Share Account - Savings Account
Share Draft Account - Checking Account
Term Share Account - Share Certificate
Money Market Account/High Yield Savings

II. ARBITRATION AND CLASS ACTION WAIVER

A. You and Spectrum agree that we shall attempt to informally settle and all disputes arising out of, affecting, or relating to your accounts or the products and services Spectrum has provided, will provide or has offered to provide you, and/or your relationship with Spectrum (hereinafter referred to as the "Claims"). If that cannot be done, then you agree that any Claims that are threatened, made, filed, or initiated after the Effective Date (defined below) of this Arbitration and Waiver of Class Action provision ("Arbitration Agreement"), even if the Claims arise out of, affect, or related to conduct that occurred prior to the Effective Date, shall, at the election of either you or us, be resolved by binding arbitration administered by Judicial Arbitration and Mediation Services (JAMS) in accordance with its applicable rules and procedures for consumer disputes ("Rules"), whether such Claims are in contract, tort, statute, or otherwise. The Rules can be obtained on the JAMS website free of charge at www.jamsadr.com; or, a copy of the Rules can be obtained at any Spectrum branch upon request. Either you or we may elect to resolve a particular claim through arbitration, even if one of us has already initiated litigation in court related to the Claim by: (a) making written demand for arbitration to the other party, (b) initiating arbitration against the other party, or (c) filing a motion to compel arbitration in court. AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT). This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of

the origin or nature of the Claim. This Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local government agency or entity, nor does it prevent such agency or entity from seeking relief on your behalf.

B. Selection of Arbitrator: The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules and must have experience in the types of financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement shall supersede the conflicting Rules only to the extent of the inconsistency. If JAMS is unable to resolve the Claims, and if you and we do not agree on a substitute forum, then you can select the forum for the resolution of the Claims.

C. Effective Date: This Arbitration Agreement is effective upon the 61st day after we provide it to you ("Effective Date"), unless you opt-out in accordance with the requirements of the RIGHT TO OPT-OUT provision below.

D. Claims Arising Prior to Effective Date: THIS ARBITRATION AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS, OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE. If a Claim is filed or initiated prior to the Effective Date, this Arbitration Agreement will not apply to such Claim.

E. Arbitration Proceedings: The arbitration shall be conducted within 50 miles of your residence at the time the arbitration is commenced. Any claims and defenses that can be asserted in court can be asserted through arbitration. The arbitrator shall be entitled to award the same remedies that a court can award, including public injunctive relief under the California Unfair Competition Law and Consumer Legal Remedies Act. Discovery shall be available for non-privileged information to the fullest extent permitted under the Rules. The Arbitrator's award can be entered as a judgment in court. Except as provided in applicable statutes, the arbitrator's award is not subject to review by the court and it cannot be appealed. The Credit Union shall pay for any filing, administration, and arbitrator fees imposed on you by JAMS. However, you will be responsible for your own attorney's fees, unless you prevail on your Claim in the arbitration, in which case, we will pay your attorney's fees. However, if the Credit Union prevails, then you will not be required to pay our attorneys' fees and cost.

Any determination as to whether this Arbitration Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration; provided, however, the enforceability of the Class Action Waiver set forth below shall be determined by the Court.

F. Class Action Waiver: ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT.

G. Severability: In the event that the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions will remain fully enforceable.

H. Survival: This Arbitration Agreement will survive termination of the Account Agreement.

I. Right to Opt-Out: You have the right to opt-out of this Arbitration Agreement, provided you notify us of your intent to do so within sixty (60) days after this Arbitration Agreement is provided to you. Your opt-out is only effective if you notify us in writing at: Spectrum Credit Union Attn: Arbitration Opt-Out, c/o Operation Services, P.O. Box 2069, Oakland CA 94604- 2069 within such sixty (60) day time period. If you fail to opt-out within the sixty (60) day time period, you will be deemed to have consented to the resolution of your Claims through binding arbitration. In the event you opt-out, it shall not affect other terms and conditions of this Agreement or your relationship with Spectrum.

FOR MORE DETAILS or if you have questions, you may call us or visit a branch. If you have questions about JAMS procedures, you should check JAMS's website, www.jamsadr.com.

III. TERMS AND CONDITIONS

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT - To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

A. AGREEMENT - 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.

Except as otherwise stated in Section II, 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. We may permit some variations from our standard Agreement, but we must agree to any variation in writing either on the Membership Application and Agreement for your account or in some other document. No oral statement by any Spectrum employee will alter any agreement between you and Spectrum. Nothing in this Agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

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.

B. GENERAL TERMS - You must notify us any time you change your name, address, email address or telephone number. We reserve the right to take corrective action, including closing the account if we suspect identity theft or fraud. We may notify you before we close your account.

We may endorse checks for you that we receive.

We require any U.S. person who opens a new account to provide a certified Taxpayer Identification Number (TIN) or certified Social Security Number (SSN) for tax reporting purposes.

We may open additional accounts using the information you supplied on the Membership Application and Agreement card. The same signers, ownership, beneficiaries, and TIN or SSN must be utilized for all additional accounts.

Each signer is liable for the debts owed on the account even if the signer did not incur the debt with the exception of loans governed under a separate agreement.

If we believe there is a dispute over the control or ownership of your account(s), we may freeze the account balance(s) and not release funds until all signers agree to the ownership in writing or we receive a court order.

We may make inquiries about you or obtain credit reports.

C. BYLAWS - Our bylaws, which are an essential part of this Agreement, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws.

D. LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of your account and the Fee Schedule. You authorize us to deduct any applicable charges set forth in the Fee Schedule or described in this Agreement, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges 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 charges or overdrafts, whether caused by you or another individual authorized to transact on your account(s). 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 except where specifically excluded by this Agreement, 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. Except as restricted by law or this Agreement, all costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you. If we reasonably believe you have violated the terms of this Agreement or cause us a loss, you agree that at our option we may deny all services except the right to maintain a Share Account and to vote at annual meetings and special meetings. If Spectrum files an action to collect what you owe us, you will pay Spectrum's reasonable expenses, including attorney's fees.

E. DEPOSITS - Deposits can be made by automatic payroll deduction, direct deposit, at automated teller machines (ATMs) with a Spectrum logo, any CO-OP ATM that accepts deposits, in person at any Spectrum Branch or at a CO-OP Shared Branch, or by mail or via electronic means we make available. 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"). Actual credit for deposits payable in foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions not conducted in person 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.

F. NATURE OF DIVIDENDS - Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period. Dividends cannot be guaranteed. Except for Certificate Accounts and Money Market/High Yield Savings Accounts, dividend rates and corresponding annual percentage yields are not set in advance.

G. CO-OP SHARED BRANCH - Members may conduct transactions affecting their Spectrum accounts at CO-OP Shared Branch locations. All transactions conducted at CO-OP Shared Branch locations are subject to CO-OP Shared Branch operating procedures, policies, and fees. Transactions are subject to Spectrum's account terms and disclosures, and are subject to verification by the CO-OP Shared Branch accepting the deposit.

Services offered may include: Deposits, withdrawals, account inquiries, transfer of funds, travelers checks, money orders or equivalent. CO-OP Shared Branch

transactions may be subject to a CO-OP Shared Branch fee. Spectrum reserves the right to limit the daily amount of withdrawals and restrict access to deposits and/or other services at Shared Branch facilities.

Members will receive a receipt for each transaction from CO-OP Shared Branch. Transactions received through CO-OP Shared Branch are processed on the same business day. All CO-OP Shared Branch transactions will be described on your monthly statement for the account used. Transactions will be posted to your account upon receipt by Spectrum.

H. TRANSACTION LIMITATIONS - Under federal regulations, during any monthly statement period, not more than six transfers of the following types may be made from your Savings Account or Money Market/High Yield Savings Account, including transfers within Spectrum. These limitations apply to account transfers or payments initiated by Telephone Access, PC Access, and any other terminal that enables you to make electronic transfers, as well as preauthorized or automatic transfers. If you exceed the transfer limitations set forth above in any statement period, your account will be subject to closure by Spectrum. A loan payment to Spectrum from the account is not counted as part of the six (6) transactions, nor are transfers or withdrawals by mail, ATM, in person, or by telephone (via check mailed to you).

I. WITHDRAWALS - Subject to the limitations in this Agreement and funds available in your account, you can withdraw from any of your accounts in person at any of our offices or at any CO-OP Shared Branch, at any ATMs with a Spectrum logo, at any CO-OP location, or at any ATM which is part of a network in which we participate. You can also request a withdrawal directly from Spectrum in writing or by telephoning a member of our staff. Personal telephone withdrawals will be made only by transfer into a specified Spectrum Account of yours, or by Spectrum checks payable to the primary member or joint owners/members and mailed to the primary member's address as shown on our records. You can also arrange for regular pre-authorized payment transfers. PC Access withdrawals may be made in accordance with the Online Banking disclosure. Except for amount paid to or held in any of your Checking Accounts, Spectrum's Board of Directors reserves the right to require you to give us up to 60 days' advance written notice of an intent to withdraw from any of your Savings Accounts. Any person who is identified as a present owner of a Savings account or as a person authorized to transact business on the account, or as documented on the Membership Application and Agreement card, including any agents, may withdraw or transfer all or any part of the account balance at any time on forms approved by us. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us. You agree that, as to any item that we have no opportunity to examine the signatures, such as an electronic check conversion transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation, you waive any requirement of multiple signatures for withdrawal. You understand and agree that we use automated means to process checks and other items written on or deposited to your account. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and endorsed or to determine if it contains any information other than what is encoded in the Magnetic Ink Character Recognition (MICR) line at the bottom of the check or item which contains your account number, amount of check and check number. Although we may manually review checks or other items drawn on your account, you understand and agree reasonable commercial standards do not require us to do so. Because we process checks automatically by computer, we do not allow postdating of checks and we will charge your account for a check even through payment was made before the date of the check and we will not be liable for failing to honor the date of the check. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time Debit Card transactions unless you have opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees. 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 Section IV. FUNDS AVAILABILITY POLICY for information about when you can withdraw funds you deposit. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. For those accounts not subject to our funds availability policy disclosure, you can ask us when you make a deposit when those funds will be available for withdrawal.

J. OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - The account ownership and any beneficiary designation described below and as provided in your Membership Application and Agreement card will apply to all Savings Accounts, Checking Accounts, Share Certificates and Money Market Accounts you hold with Spectrum, except as provided on our records for any specific account. We reserve the right to refuse some forms of ownership on any or all of our accounts. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. As used in this Agreement "party" means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account other than as an agent.

Individual Account - Is an account opened in the name of one person who does not intend (merely by opening this account) to create any rights in any other person.

Joint Account - This account is equally owned and controlled by the named parties jointly and equally, regardless of their net contributions, with a right of survivorship, and will be subject to withdrawal or receipt by any of the account owner(s) or the survivor(s) of any of the account owner(s). Upon the death of any of them, ownership passes to the joint account owner(s).

P.O.D. Account with Single Party - This account or certificate is owned and controlled by the named party. Upon the death of that party, ownership passes to the named pay-on-death payee(s).

P.O.D. Account with Joint Owner(s) - This account is owned by the named parties. Upon the death of any of them, ownership passes to the owner(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s). Beneficiaries of a P.O.D Account cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating this account type reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time.

Trust Account Subject to Fiduciary Account Agreement - You will abide by the terms of the separate agreement, including the terms of the trust as to which you furnish a Certification of Trust to Spectrum as evidence of your authority to open one of more such accounts with Spectrum. Any additional consistent terms stated on such separate agreement will also apply.

UTMA Accounts - A separate UTMA agreement is required for each beneficiary. Under the Uniform Transfers to Minors Act, the funds in the account are owned by the child who has unconditional use of the account when he or she reaches the age of majority at which time the UTMA Account terminates and the account custodian must transfer the balance of the account to the surviving minor. Before that time, the account may be accessed only by the custodian (or successor custodian), and the funds must be used for the benefit of the child. We, however, have no duty or agreement whatsoever to monitor or ensure that the acts of the custodian (or successor custodian) are for the child's benefit. We are not responsible to monitor age or eligibility for an UTMA account, even though our records may include the minor's date of birth. It is the custodian's responsibility to properly distribute the funds in the account upon the minor's death or attainment of the age of majority. For this type of account, the child's SSN/TIN is used for the Backup Withholding Certification.

K. ACCOUNT TRANSFERS - Your account may not be transferred or assigned without our prior written consent. No membership rights are transferred with the transfer or assignment of all or any part of a Spectrum Savings Account.

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

M. PLEDGES OF AND LIENS ON SHARES - Unless you advise us differently in writing, each member of your account(s) may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge or lien on your account(s) must first be satisfied before the rights of any surviving Joint account owner or account beneficiary or Trust Account Beneficiary become effective. For example, if an account has two owners and one of the owners pledges the account (i.e., uses it to secure a debt) and then dies, (1) the surviving owner's rights in this account do not take effect until the debt has been satisfied, and (2) the debt may be satisfied with the funds in this account.

N. AMENDMENTS AND TERMINATION - We may change our bylaws and any term of this Agreement. Rules governing changes in rates are provided separately. For other changes we will give you reasonable notice in writing if required by applicable law or by any other method permitted by law. We may close this account if membership of all account owners in Spectrum terminates, or by giving reasonable notice to you and tender of the account balance personally or by mail. At our option, we may suspend your rights to member services if you violate the terms of this Agreement. Notice from us to any one of you is notice to all of you.

O. STATEMENTS - 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 transactions, suspected fraud, 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 unauthorized transactions or 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 60 days from when the statement is first sent or delivered by us electronically.

You further agree that if you fail to report any unauthorized transactions, fraud, unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or deliver electronically the statement, 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 to your duty to review your statements for unauthorized transactions, fraud, unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error. In addition, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing endorsements or any other problems. You agree that the time you have to examine your statement and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any

errors to us within 60 days of when we first send or deliver electronically the statement precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

Errors relating to electronic fund transfers or substitute checks - The foregoing provisions under this Section O shall not apply to electronic fund transfer or substitute check to the extent that they are inconsistent with applicable law. For information on errors relating to electronic fund transfers (e.g., computer, Debit Card or ATM transactions) refer to Section V. ELECTRONIC FUND TRANSFERS of this disclosure and the sections on consumer liability and error resolution.

P. AUTOMATED CLEARING HOUSE ("ACH") -

Notice of Receipt of ACH Items - Under the operating rules of the National Automated Clearing House Association which are applicable to ACH transactions involving your account, Spectrum is not required to give next day notice to you of receipt of an ACH item, and Spectrum will not do so. However, Spectrum will continue to notify you of the receipt of payments in the periodic statements Spectrum makes available to you.

Provisional Payment - Credit given by Spectrum to you with respect to an automated clearing house credit entry is provisional until Spectrum receives final settlement for such entry through a Federal Reserve Bank. If Spectrum does not receive such final settlement, you agree that Spectrum is entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you the amount of such entry.

Choice of Law - Spectrum may accept on your behalf payments to your account which have been transmitted through one or more automated clearing houses ("ACH") and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of New York as provided by the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account.

Q. DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in your account which should have been returned to the payer for any reason, you authorize us to deduct the amount of our liability to the Federal Government or anyone else from your 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 other legal remedies to recover the amount of our liability.

R. ESCHEATMENT - All states require that after a period of time as specified by state law, if there is no activity generated by you on any of your account(s), such as making a deposit or withdrawal or writing to us about your account, or having contact with us as shown on our records, we must turn over the balance of the inactive account(s) to the state of your last known address. Prior to turning over an inactive account, we will comply with any notice requirements imposed by your state.

S. RESTRICTIVE LEGENDS OR INDORSEMENTS - We are not required to honor any restrictive legend or restrictive indorsement on checks you write unless we provide prior written approval to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

T. 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 any of your Spectrum accounts 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, and contain the required number of signatures for this purpose. For purposes of this section, your signature includes any Personal Identification Number (PIN) or other access code we have authorized you to use for PC Access, Automated Teller Machines (ATMs), Point-of-Sale (P.O.S.) transactions, transactions initiated through Telephone Access, as well as your signature on any account agreement or other document you have provided to enable us to verify your signature. You understand and agree that we may hold you responsible to the maximum extent permitted by law for any requirement for more than one signature that may have been established between you and any other owner of the account from which a payment or transfer is made.

U. RIGHT TO REPAYMENT OF INDEBTEDNESS - You each agree that we may (without prior notice and when permitted by law) charge against and deduct from your account(s) any due and payable debt any of you owe to us now or in the future, including accounts on which you are a joint owner, even if the amount charged against your account was incurred by your joint owner. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt.

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. Since federal law provides us with a statutory lien, we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien. The statutory lien does not apply when executed by the loan agreement.

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, Health Savings 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, or (d) setoff is prohibited by the Military Lending Act or its implementing regulations. 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.

V. AGENTS - An agent is someone you authorize to have access to your account(s) on your behalf. This may be done by executing a power of attorney. An agent is not an owner of the account. We may refuse to accept an agent, or to establish an agency account. We have no duty or agreement whatsoever to monitor or insure that the acts of the agent are for your benefit.

W. DISCLOSURE TO THIRD PARTIES - We will disclose information to third parties about your accounts, or your transfers: 1) where it is necessary for completing the transaction, 2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, 3) in order to comply with orders of a government agency or a court to which we are subject, 4) in order to alert law enforcement regarding possible fraudulent or illegal activity or 5) if you give us your written permission.

Refer to the "A Privacy Pledge to Our Credit Union Members" that was provided to you when you opened your account for further details. We will provide you with updated copies as required by law.

X. WITHHOLDING - To the extent permitted under applicable laws, your failure to provide the correct Taxpayer Identification Number, usually the taxpayer's Social Security number, will expose you to any penalty assessed by the Internal Revenue Service (IRS) against Spectrum. Spectrum has the right to withhold amounts required by federal tax laws from withdrawals and all other reportable payments if you or the IRS advise us that you are subject to backup withholding, or if you fail to give us your correct Taxpayer Identification Number/Social Security number.

Y. PAYMENT SEQUENCE OF ITEMS - The sequence in which items are paid is important if there is not enough money available in your account to pay all of the items that are presented. The payment sequence can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

If a check, item or transaction (other than an ATM or everyday Debit Card transaction) is presented without sufficient available funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item for insufficient funds (NSF). The amounts of the overdraft and NSF fees are disclosed in the Fee Schedule. Your rights to opt in to overdraft services for ATM and everyday Debit Card transactions are disclosed elsewhere. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient available funds and potentially incurring the resulting fees.

Z. AUTHORIZED SIGNER (Individual Accounts only) - A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. The owner does not give up any rights to act on the account, and the authorized signer may not in any manner affect the rights of the owner or beneficiaries, if any, other than by withdrawing funds from the account. The owner is responsible for any transactions of the authorized signer. We undertake no obligation to monitor transactions to determine that they are authorized, proper, or on the owner's behalf.

The owner may terminate the authorization at any time, and the authorization is automatically terminated by the death of the owner. However, we may continue to honor the transactions of the authorized signer until: (a) we have received written notice or have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an authorized signer.

AA. CHECK CASHING - We may decide to cash a check for someone that does not have an account with us who is cashing a check, draft or other instrument written on your account and may charge you a fee. 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.

BB. DEATH OR INCOMPETENCE - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of 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 adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

CC. FIDUCIARY ACCOUNTS - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

DD. 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 does not involve 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.

EE. SECURITY - It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM 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 issue an electronic debit or 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, and 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).

Except for consumer electronic funds transfers subject to Regulation E, 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. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected.

FF. MONITORING AND RECORDING TELEPHONE CALLS AND CONSENT TO RECEIVE COMMUNICATIONS - We may monitor or record phone calls for security reasons, to maintain a record and to ensure that you receive courteous and efficient service. You consent in advance to any such recording. We need not remind you of our recording before each phone conversation.

To provide you with the best possible service in our ongoing business relationship for your account we may need to contact you about your account from time to time by telephone, text messaging or email. To the extent required by applicable law, we will first obtain your consent to contact you about your account in accordance with the consumer protection provisions in the federal Telephone Consumer Protection Act of 1991 (TCPA), CAN-SPAM Act and their related federal regulations and orders issued by the Federal Communications Commission (FCC).

a. If your consent is required, your consent is limited to this account, and as authorized by applicable law and regulations.

b. To the extent we make calls to you using an automated dialing device or pre-recorded or artificial voice message, we will not contact you for telemarketing purposes, unless permitted under applicable law or you otherwise agreed elsewhere to such telemarketing purpose calls. We may, however, make telemarketing purpose calls to you using manually dialed calls for a live conversation with Spectrum employees, even if you have not previously consented to such calls.

With the above understandings, you authorize us and our authorized service providers to contact you regarding this account throughout its existence using any telephone numbers or email addresses that you have previously provided to us or that you may subsequently provide to us.

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device.

If necessary, you may change or remove any of the telephone numbers or email addresses you have provided to us at any time using any reasonable means to notify us.

GG. 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. Unless we have acted in bad faith, 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.

HH. ACCOUNT BALANCES AND LIABILITY OF OVERDRAFTS

Section 1: General

1. You are responsible for keeping track of the funds in your account that are available for you to use before you write a check, make a cash withdrawal at an ATM, or use your Debit Card for a transaction. Among other things, you should keep a running balance that reflects all of your transactions. It is imperative that you keep track of the transactions you may have authorized (such as outstanding checks or automatic bill payments you have authorized), as your available balance (discussed in more detail below) may not reflect all of your transactions until they are paid from your account.

2. "Overdrawing" your account means that there are not sufficient available funds in your account to pay for a transaction, but the transaction is paid under either an optional overdraft protection plan or the Courtesy Pay Service, which results in a negative "overdrawn" balance. Some transactions that can result in an overdraft in your checking account include, but are not limited to: (1) the payment of checks, electronic fund transfers, telephone-initiated transfers, preauthorized payments under our Bill Payment Service, or other withdrawal requests authorized by you; (2) the return (unpaid) of items deposited by you; (3) the assessment of service charges by us; or (4) the deposit of items that are treated as not yet "available" according to our Funds Availability Policy.

Section 2. YOUR CHECKING ACCOUNT BALANCE

1. Your checking account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when you review your account online, at a

Credit Union-owned ATM, by phone, or at a branch. It is important to understand how the two balances work so that you know how much money is available in your account at any given time. Your actual balance is the amount of money that is actually in your account earning dividends at any given time, but not all funds included in the actual balance are considered available for transactions on your account. The actual balance is also referred to as: (a) your balance on Credit Union ATM screens; (b) your current balance in online banking and in Mobile Banking; and (c) your current balance when you use our automated telephone banking system. Your actual balance reflects transactions that have "posted" to your account, but not transactions that have been authorized and are pending or pending deposits that are subject to holds under our Funds Availability Policy. While the term "actual" may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case. Your actual balance will not reflect any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. So, at that point, you have an actual balance of \$50, but you have already spent \$40.

2. Your available balance is the amount of money in your account that is available to you to use without incurring an overdraft fee. The available balance takes into account factors such as holds placed on deposits and pending transactions (such as pending Debit Card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you were to use your Debit Card at a restaurant to buy lunch for \$20, then that merchant could ask you to pre-authorize the payment in that amount (or even a different amount). Under this example, if the merchant requested preauthorization in the amount of \$20, we will place a "hold" on your account for \$20 (referred to as an "authorization hold"). Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because of the restaurant's preauthorization request that resulted in an authorization hold on \$20 in your account. When the restaurant submits its bill for payment (which could be a few days later and for a different amount than the amount of the authorization hold), we will release the authorization hold, post the transaction to your account, and reduce your actual balance by the amount of the posted transaction.

3. Your available balance may not reflect all of your Debit Card transactions. Your account is considered overdrawn when the available balance in your account is negative (less than \$0). For Debit Card transactions involving merchant authorization holds, we look at the available balance at the time a transaction posts to determine whether the transaction results in an overdraft and potential related fees. [In making this determination, we check your available balance at two separate times—first, at the time a merchant authorization request is received, and second, when the transaction "settles" and posts to your account. If your available balance is insufficient to pay the preauthorization amount requested by a merchant, we will decline the request. If your available balance is sufficient to cover a merchant's authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant's authorization request. If the transaction later "settles" and posts to your account at a time when the available balance is insufficient to pay the posted transaction without causing the account to have a negative balance (less than \$0), we will charge a Courtesy Pay Fee on that transaction even though the available balance was sufficient to cover it at the time the transaction was authorized.] Your account is considered overdrawn when the available balance in your account is negative (less than \$0).

The following example illustrates how this works:

Assume your actual and available balance are both \$50, and you use your Debit Card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in your account, so your available balance is only \$30. Your actual balance would remain \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 clears. Because your available balance is only \$30 (due to the authorization hold of \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, if we pay the \$40 check under the Courtesy Pay Service, we will charge you a Courtesy Pay Fee as disclosed in our Fee Schedule, which will be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount (which may be \$20 or even a different amount, for example, if you added a tip) to the restaurant. Because the amount of the restaurant charge exceeded your available balance at the time the restaurant charge "settled" (i.e., posted to your account), we will charge you a Courtesy Pay fee as disclosed in our Fee Schedule, even though the restaurant transaction was authorized and approved with a sufficient available balance.

4. YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE.

This is because we check your available balance at two separate times as explained above, in addition to the fact that your available balance may not reflect all your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

5. Also, your available balance may not reflect all of your Debit Card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time Debit Card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of Debit Card transactions, including but not limited to car rental transactions and international transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released, which generally occurs when the transaction has been received by us and paid from your account. Refer to the section entitled "Authorization Holds for Debit Card Transactions" below for information about how authorization holds affect your available balance.

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

for withdrawal of your deposits. You should not assume that you can avoid overdrawing your account by making a deposit before a check or other item is presented for payment because your deposit may not be immediately available for withdrawal.

Section 3: Payment of Overdrafts

1. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for our costs of collection. We may close, without notice, any account with excessive insufficient funds activity, and report the account to a consumer reporting agency.

2. We assess a fee for each item that we either pay, which results in an overdraft, or do not pay, which would have resulted in an overdraft had we paid it. If we pay an item in accordance with our Courtesy Pay Service (described in more detail below), we will charge a Courtesy Pay Fee as disclosed in the Fee Schedule.

4. We recommend that you enroll in one of the optional overdraft protection plans described below. These plans can help you avoid overdrafts and returned items. While fees apply when you use an optional overdraft protection plan, the fees under the plan are less expensive than NSF and Courtesy Pay Fees.

5. Transfers to Cover Overdrafts: You understand and agree that we have the right to transfer available funds to your checking account from any of your other account(s) with us (excluding IRAs and certificate accounts), including account(s) upon which you are a joint owner, in an amount equal to the overdraft and related fees.

6. If we pay an item drawn against insufficient available funds on an account with more than one (1) member on the signature card, each member, and agent if applicable, drawing or presenting the item creating the overdraft, shall be jointly and severally liable for such overdrafts including Courtesy Pay or NSF fees (if any).

7. NSF Transactions: We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we do not authorize and pay an overdraft, then we decline or return the transaction or item unpaid and charge a related NSF Fee as stated in our Fee Schedule. You are responsible for ensuring that your account includes sufficient available funds to pay the transactions you initiate or authorize when they are processed for payment from your account, and you also acknowledge that the timing of when merchants or payees submit transactions to us for payment may vary.

If your account does not have sufficient available funds when a transaction or item is presented to us for payment and, as a result, returned unpaid, the merchant or payee of your transaction or item may choose to resubmit the same transaction, and may do so multiple times [this may also occur when you initiate transfers and payments through your Credit Union Online Banking or Bill Payment services and your account lacks sufficient available funds at the time the transaction is scheduled to occur, as we may decline the transaction, charge a NSF Fee, and then resubmit the same transaction at a later time in an attempt to process your requested transaction]. In the event a transaction or item is resubmitted for payment at a time when your account lacks sufficient available funds to pay it and we decline it, we will charge a related NSF Fee for each such resubmitted item each time that same transaction is returned unpaid.

Section 4: Courtesy Pay Service

1. In accordance with our commitment to provide valued service and benefits, we may, at our discretion, pay your overdrafts that would cause your eligible checking account to have a negative balance. We refer to this service as our Courtesy Pay Service (hereinafter referred to as the "Service"). The Service is different than the Personal Line of Credit and the Overdraft Protection Service plans. The Service is a backup to your existing overdraft protection plans and will only be activated if funds are not available from those plans. This Courtesy Pay Section sets forth the terms and conditions applicable to the Service.

2. What Overdraft Transactions are Covered? The Service is available only for the payment of checks, electronic transfers, telephone-initiated transfers, preauthorized payments under our Bill Payment Service, recurring Debit Card transactions, and ACH drafts and debits. The Service is not available for ATM transactions and one-time Debit Card transactions, unless you opt-in, as described in the next section below.

3. Optional Overdraft Transactions: If you would like to include ATM transactions and one-time Debit Card transactions in the Service, you are required to "opt-in" (in other words, you must provide us with your affirmative consent). Choosing not to opt in may result in these transactions being declined.

You understand and agree that we do not require you to authorize the Service for your ATM and one-time Debit Card transactions as a condition of us providing the Service to you for the other types of transactions subject to this Courtesy Pay Service Section. If you want the Credit Union to authorize and pay overdrafts for ATM and one-time Debit Card transactions, you must provide us with your consent by contacting us provided in Section 5, Paragraph 2 below.

You may revoke your authorization to have us pay your ATM transactions and one-time Debit Card transactions at any time. Your decision to opt in does not guarantee that we will always pay your ATM transactions or one-time Debit Card transactions when there are insufficient available funds in your account to cover the transaction.

4. Eligibility for the Service: The Service is not a credit product and requires no application or credit approval process; it is a feature that is automatically included with eligible checking accounts (unless you opt out of the Service entirely as described below). Eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. The Service is available for checking accounts for which the primary checking account owner is 18 years of age or older, is in good standing, and the checking account has been open for at least thirty (30) days with the applicable minimum balance requirement. We reserve the right to limit the Service to one (1) account per household or member. We may suspend or permanently revoke the Service from your checking account, in our sole and absolute discretion, based on any one or more of the following criteria:

- a. You are not making regular deposits into your checking account;
- c. You do not bring your checking account to a positive balance for at least one full business day within a thirty (30) day period;
- c. Your membership is not in good standing;

- d. You are more than thirty-one (31) days past due or are in default in any other respect on any loan or other obligation to us;
- e. You have an outstanding balance due on an overdraft repayment plan;
- f. Your checking account is subject to any legal or administrative orders or levies;
- g. You have insufficient credit or negative credit history;
- h. You are a party to a bankruptcy proceeding;
- i. Any or all of your account(s) with us are being reviewed for improper activity or transactions;
- j. Your checking account is classified as inactive;
- k. You use the Service to pay items written to check cashing agencies;
- l. You have an unresolved prior loss with us;
- m. We do not have a valid mailing or email address for you; or
- n. We believe you are not managing your checking account in a responsible manner which may harm you or us.

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

6. Limits to Your Use: The negative balance to which you can overdraw your account by using the Service is determined by us in our sole and absolute discretion. We will generally pay your overdraft items up to a maximum of \$700, including fees; however, you acknowledge and agree that we reserve the right to further limit the number and amount of checks or other items/transactions that may be paid by us through the Service during any given month.

7. How the Service is Administered: In our sole discretion, we may notify you by mail, or, if you have agreed to receive notices from us in an electronic format, you may be notified electronically, of any nonsufficient funds checks, items or other transactions that have been paid or returned; however, we are not required to so notify you. You also acknowledge and agree that we have no obligation to notify you before we pay or return any check, item or other transaction. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.

8. When is the overdraft payment due? The total of the overdraft (negative) balance in your checking account, including any and all fees and charges, is due and payable upon demand, and you are required to immediately deposit sufficient funds to cover the overdraft paid by us and pay the related fees.

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

10. Optional Overdraft Protection Plans: As discussed in more detail above, we also offer optional overdraft protection plans, such as a link to a savings account or a Personal Line of Credit account, which may be less expensive than our Courtesy Pay Service. To learn more, please ask us about these plans.

11. Your Right to Opt Out of the Service: If you prefer not to have the Service, contact us as described in Section 5, Paragraph 2 below, and we will remove the Service from your checking account. If you opt out of the Service, you will still be charged our NSF Fee for each item returned, each time a transaction is presented for payment and returned unpaid due to insufficient available balance.

12. Default: You will be in default under the terms of this Agreement if you fail to live up to any of the terms and conditions set forth herein or you are in default on any loan obligation with us and/or a negative balance exists in any deposit account with us on which you are an owner. If you are in default, in addition to any other rights we may have, we may temporarily suspend overdraft or Courtesy Pay privileges, terminate the Service or close your checking account and demand immediate payment of the entire unpaid negative balance.

13. Termination; Suspension: We may terminate or suspend the Service at any time without prior notice. In no event will any termination relieve you of your other obligations under this Agreement, including your obligations to repay any negative account balance, overdraft fees, collection costs, and attorneys' fees, if any.

Section 5: An Additional Note Regarding Overdraft, Courtesy Pay Programs

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

2. IF YOU DO NOT UNDERSTAND ANY PROVISION IN THIS AGREEMENT, OR IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT (800) 232-8101, MONDAY THROUGH FRIDAY, 6 AM TO 6 PM [PACIFIC] STANDARD TIME.

SEQUENCE OF POSTING

We receive deposit and withdrawal transactions in many different forms throughout each business day. We reserve the right to determine the timing and order in which such transactions are posted to your account to the extent permitted by law. We determine the order in which we process and post deposits and other credits and checks and other items to your account based on a number of factors.

We may pay or authorize some items, and decline or return others, in any sequence we deem appropriate to the extent permitted by law. When the available balance in your account is not sufficient to cover all of the items presented that day, some processing and posting sequences can result in more returned items and more overdraft and returned item fees than other sequences. We may choose our processing and posting sequences to the extent permitted by law regardless of whether additional fees result. Some items are received by us real-time and others are received in batches throughout each business day. Examples of items that we currently receive in real-time include ATM withdrawals and teller transactions. These individual items are generally posted to your account as they are received by us each business day. Examples of items that we currently receive in batches include checks drawn on your account presented by other financial institutions and ACH and Debit Card transactions. We generally post batched transactions as they are received by us throughout each business day (subject to certain exceptions).

The timing and order used to post items to your account will depend upon a number of factors. We reserve the right to (i) establish different categories of items, (ii) establish a posting order for each category of item(s), (iii) establish different posting orders for items within each category, and (iv) change the timing of when items are posted during the day and whether they are posted individually or in batches. Except to the extent limited by regulatory and judicial authorities, we have the right to change any of the factors described in (i), (ii), (iii) and (iv) listed above at any time without notice to you.

You agree that, to the extent permitted by law, we may determine in our discretion the timing of posting items to your account, the categories used by us to post items to your account, the transactions within each category, the order among categories, and the posting orders within a category. We may sometimes change the timing of posting items to your account, add or delete categories, change posting orders within categories and move transaction types among categories. You agree that we may in our discretion make these changes at any time to the extent permitted by law without notice to you.

AUTHORIZATION HOLDS FOR DEBIT CARD TRANSACTIONS

When you make a signature purchase with your Debit Card, the merchant may seek our prior authorization for the transaction. We generally place a temporary hold against some or all of the funds in the account linked to your Debit Card if and when an authorization request is granted. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance (generally in real time as they are received by us throughout each day).

The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted (such as a gas station purchase). For those transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance.

We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of Debit Card transactions) from the time of the authorization. If the transaction is not submitted for payment by the merchant within the specified time period, however, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

We urge you to record and track all of your transactions closely to confirm that your available balance accurately reflects your spending of funds from the account linked to your Debit Card.

MEMBER RESPONSIBILITY

Please remember that the responsibility for ensuring that the funds in your account will cover a transaction is yours. You should keep a running balance of the amount of funds in your account to ensure that there are sufficient funds in your account. We provide various tools that will help you manage your account, such as online banking and mobile banking applications. Please remember that the balance displayed using these tools may be either your available balance or your actual balance. It is important that you understand the difference between these two balances.

For a variety of reasons, neither your available balance nor your actual balance may represent the funds in your account that will be available to cover a particular transaction at the time you enter into it (such as delivering a check to a merchant) depending on a number of factors, including, without limitation, how and when the item for such transaction is presented to us. **The responsibility for ensuring that a transaction will not overdraw your account is yours.**

II. SANCTIONS - If you engage in any type of abusive conduct towards a Spectrum employee, Spectrum may impose sanctions against you, including:

- (1) Denial of access to Spectrum premises;
- (2) Denial of services which involve direct contact with Spectrum employees, either in person, via telephone, or through electronic media; and/or,
- (3) Denial of all services other than the right to maintain a Savings Account and the right to vote at annual meetings and special meetings, which cannot be limited without a vote of the entire membership.

Abusive conduct includes but is not limited to the following behaviors directed towards Spectrum and its employees: any type of harassment; use of profane, demeaning, intimidating or threatening language; actual or implied threats of bodily harm or property damage; vandalism or unauthorized removal of Spectrum property or signage; and actual or attempted coercion or interference with Spectrum employees in the performance of their duties at any time.

JJ. SEVERABILITY - This Agreement is governed by applicable law. If any provision is found to be unenforceable, the rest of the Agreement will remain in effect.

KK. FORCE MAJEURE - The Credit Union shall not be liable for any failure of performance hereunder due to causes beyond its reasonable control, including without limitation acts of God, fire, explosion, vandalism, storm or other similar catastrophes;

any law, order, regulation, direction action or request of the United States government, or of any other government, including foreign, state and local governments having jurisdiction over the parties to this Agreement, or of any department, agency, commission, court, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; or strikes, lock-outs, work stoppages or other labor difficulties.

LL. VENUE

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

MM. EXPRESS CONSENT - You consent to receiving informational calls related to account servicing and your membership at any of the phone numbers you provide the Credit Union from the Credit Union and its authorized service providers. The calls include, but are not limited to, changes to your accounts, account events, and collections.

NN. DECLINING TRANSACTIONS ON YOUR ACCOUNT - There are many reasons why we may decline or prevent transactions to or from your account, but we generally do it to protect you or us, or to comply with legal requirements. We may decline or prevent any or all transactions to or from your account. We may refuse, freeze, reverse or delay any specific withdrawal, payment or transfer of funds to or from your account, or we may place an administrative hold on funds in your account pending investigation, including one or more of the following circumstances: (1) your account is involved in any legal or administrative proceeding; (2) we receive conflicting information or instructions regarding account ownership, control or activity; (3) we suspect that you may be the victim of fraud, scam or financial exploitation, even though you have authorized the transaction(s); (4) we suspect that any transaction may involve illegal activity or may be fraudulent; (5) we are complying in our sole judgement, with any federal or state law or regulation, including federal asset control and sanction rules, and anti-money laundering rules, and/or with our policies adopted to ensure that we comply with those laws; or (6) we reasonably believe that doing so is necessary to avoid a loss or reduce risk to us. We may also limit cash deposits to, or withdrawals from, any of your accounts, or who may make deposits, in order to reduce risk and/or allow us to comply with applicable law. We will have no liability for any action we take under this section.

OO. DISPUTES INVOLVING YOUR ACCOUNT - If there is a dispute between any person and/or private or government organization over your account or the funds in any of your accounts, or we are uncertain who is entitled to access an account or the funds in any of your accounts, including, but not limited to, disputes between or relating to joint owners, payees, trust account beneficiaries, business owners, association or business directors, members, or trustees, or a payable on death account, you agree that we may, without liability to you or your beneficiaries and in our sole and absolute discretion, take one or more of the following actions: (1) restrict the account and deny access to all until such time as the conflicting claims are resolved to our satisfaction; (2) close the account and send the funds to the owner or owners of the account, according to our records, at the statement mailing address; (3) interplead all or any portion of the funds from an account into an appropriate court for resolution; or (4) restrict access to the account until our receipt of either written instructions as to the distribution of funds signed by all affected parties or an order from a court of proper jurisdiction authorizing or directing us to distribute the funds. We may charge your account for expenses (including attorneys' fees and expenses) and fees we incur.

PP. INDEMNIFICATION - You agree to indemnify, defend, and hold the Credit Union, its affiliates, officers, directors, employees, consultants, agents, service providers, and licensors, harmless from and against any and all claims, demands, actions, costs, losses, liability, expenses and fees (including, without limitation reasonable attorneys' fees, collection costs, skip-tracing fees, and outside services fees) which we incur by acting in accordance with this Agreement or as a result of your failure to abide by its terms, including but not limited to those arising from:

- a. A third party claim, action, or allegation of infringement, misuse, or misappropriation based on information, data, files, or other materials submitted by you to us;
- b. Any fraud, manipulation, or other breach of this Agreement by you;
- c. Your violation of any law or rights of a third party; or
- d. Your provision of access to your account(s), services, or electronic services to any third party.

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

QQ. LIMITATION OF LIABILITY - YOU UNDERSTAND AND AGREE THAT WE WILL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES IN ANY CLAIM OR ACTION ARISING FROM THIS AGREEMENT, REGARDLESS OF WHETHER YOU HAVE ADVISED US OF THE POSSIBILITY THAT YOU MAY INCUR SUCH DAMAGES.

You understand and agree that accounts and electronic services are provided "as-is." Except as otherwise provided in this Agreement or as required by law, the Credit Union assumes no responsibility for the timeliness, deletion, mis-delivery, or failure to store any communications, personalizations, or electronic settings. You understand and expressly agree that the use of electronic services is at your sole risk, and that any material and/or data downloaded or otherwise obtained through the use of electronic services is downloaded or obtained at your own discretion and risk, and that you will be solely responsible for any damages, including without limitation damage to your

computer system or mobile device or loss of data that results from the download or the obtaining of such material and/or data.

RR. DISCLAIMER OF WARRANTIES - Except as expressly set forth in this Agreement, the Credit Union disclaims all warranties of any kind, express or implied, including without limitation any warranty of merchantability, fitness for a particular purpose, or non-infringement of intellectual property or third party rights, regarding its services, including electronic services. The Credit Union makes no warranty or representation regarding the results that may be obtained from the use of electronic services, the accuracy or reliability of any information obtained through electronic services, the accuracy of any information retrieved by you from the accounts or that the electronic services will meet any user's requirements, be uninterrupted, timely, secure, or error free.

IV. FUNDS AVAILABILITY

This policy statement applies to all your Share Accounts with us. Our policy is to delay availability of certain funds.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for any amounts you deposit that are returned to us unpaid and for any other problems involving uncollected funds in your deposit.

For determining the availability of your deposits, every day is a business day except Saturdays, Sundays, and federal holidays. You may make a deposit at a Spectrum drop box before the posted cutoff time on a business day that we are open, and we will consider that day to be the day of your deposit. Otherwise, we will consider that the deposit was made on the next business day we are open. Cutoff times may vary on some days or at some locations.

Electronic direct deposits will generally be available on the first business day after the day we actually collect the funds. At that time, except if notified otherwise, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

If we cash a check for you that is drawn on another financial institution, 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.

If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your ability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of deposit you made.

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 immediately. Depending on the type of deposit you made, funds may not be available until the second business day after the day of your deposit. However, at a minimum, the first \$200 (\$225 effective July 1, 2020) of your deposits will be available on the same day we receive your deposit.

If we are not going to make all of the funds from your deposit available to you immediately, we will notify you at the time you make your deposit. We will also notify 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 send 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 - Funds you deposit by check may also be delayed for a longer period under the following circumstances:

- (1) We believe a check you deposit will not be paid.
- (2) You deposit checks totaling more than \$5,000 (\$5,525 effective July 1, 2020) on any one day.
- (3) You redeposit a check that has been returned unpaid.
- (4) You have overdrawn your account repeatedly in the last six months.
- (5) There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will notify 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.

NEW ACCOUNTS

The following rules will apply during the first 30 days your account is open.

Electronic direct deposits will generally be available on the first business day after the day we actually collect the funds. Funds from deposits of cash, wire transfers, and the first \$5,000 (\$5,525 effective July 1, 2020) 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 deposit, if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 (\$5,525 effective July 1, 2020) will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 (\$5,525 effective July 1, 2020) 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.

CHECK ENDORSEMENT RULES

The Funds Availability Act requires payee endorsements to appear within 1/2 inches from the "trailing" edge on the back of all checks. The trailing edge is on the left

as you look at the front of a check; use the same edge on the back (which is directly behind the printed address on the front) to determine your endorsement area.

This limited endorsement area must also be used for: 1) any subsequent endorsements (i.e., if you endorse a check and then give it to someone else to negotiate, his/her endorsement must also appear within this area), and 2) any requested identification information.

If you write anything outside of the 1 1/2 inch area, the check may be returned unpaid or delayed in its processing. Any liability due to the improper placement of your endorsement will be passed on to you as a charge against your account. You are liable for any charges due to your improper endorsement.

V. ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of electronic fund transfers we will accept, some of which may not apply to your account.

For determining the availability of your deposits, every day is a business day except Saturdays, Sundays and federal holidays.

Electronic Fund Transfers Initiated By Third Parties - You may authorize a third party to initiate electronic fund transfers between your Spectrum account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payment networks. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and Spectrum information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. You should only provide your Spectrum and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- (1) **Preauthorized Credits** - You may make arrangements for certain direct deposits (such as Chevron Corporation or U.S. Treasury (Social Security)) to be accepted into your Checking, Savings, or Money Market/High Yield Savings Account(s).
- (2) **Preauthorized Payments** - You may make arrangements to pay certain recurring bills from your Checking, Savings, or Money Market/High Yield Savings Account(s).
Please note: All preauthorized payments, payments and transfers of funds described in this Part IV are subject to the Transaction Limitations described above at Section III TERMS AND CONDITIONS G. CO-OP SHARED BRANCH.
- (3) **Electronic Check or Draft Conversion** - You may authorize a merchant or other payee to make a one-time electronic payment from your Checking or Share Draft Account using information from your check or draft to pay for purchases or pay bills.
- (4) **Electronic Returned Check or Draft Charge** - You may authorize a merchant or other payee to initiate an electronic fund transfer to collect a charge in the event a check or draft is returned for insufficient funds.

Telephone Access Transfers - You may access your account by telephone 24 hours a day at 510-251-6000 or 800-782-8782 by entering your authentication information to:

- (1) transfer funds between your Checking, Savings and Money Market/High Yield Savings Accounts that allow transfers
- (2) transfer funds from your Money Market/High Yield Savings, Checking or Savings Account to the Money Market/High Yield Savings, Checking, Savings Account or loan of any other Spectrum member that allow transfers (cross-account transfers may only be made out of the accounts owned by the person whose PIN is used to initiate the transfer)
- (3) make loan payments to us from your Checking, Savings, or Money Market/High Yield Savings Accounts
 - (a) You may transfer no more than \$50,000 per payment

ATM Transfers - You may access your account(s) by using your Spectrum ATM/Debit Card and Personal Identification Number (PIN) at ATMs with a Spectrum logo, or whose owners participated in ATM networks to which Spectrum belongs, to:

- (1) make deposits to Checking, Savings, or Money Market/High Yield Savings Account(s)
- (2) get cash withdrawals up to a combined total of \$500.00 a day from your designated Savings Account, Checking Account, Money Market/High Yield Savings Account or approved Line-of-Credit Account, not to exceed your account balance(s) or approved credit limit
- (3) transfer funds between your Checking, Savings, Money Market/High Yield Savings or Line-of-Credit Account(s)
- (4) obtain your Checking, Savings, Money Market/High Yield Savings or Line-of-Credit Account balance. Some of these services may not be available at all terminals.

Lost or Stolen ATM/Debit Card and (or) PIN - If you believe that your ATM/Debit Card and PIN has been lost or stolen, or that someone has transferred, or may transfer, money from your account without your permission, please contact us using any one of the following methods:

- (1) Call 510-251-6000 or 800-782-8782
- (2) Write to us by email to: spectrummail@spectrumcu.org
- (3) Write us at the following address: Spectrum Credit Union, P.O. Box 2069, Oakland, CA 94604-2069

Ownership of Card - The ATM/Debit Cards remain the property of Spectrum and you agree to surrender the Cards to us upon our demand. We may cancel, modify, or restrict any use of any ATM/Debit Card without notice if your account is overdrawn; if we are aware that you have violated any term of the ATM/Debit Card Agreement and Disclosure, whether or not we suffer a loss; or where necessary to maintain or restore the security of your account(s) or the ATM system.

General Terms - ATM transactions may involve other Spectrum agreements and policies. Wherever applicable, these terms shall apply as well.

In the event of a lost or stolen card, a transaction irregularity, or a material breach of this Agreement, the ATM/Debit Card may be retained by the ATM.

This Agreement and disclosure applies to all external electronic fund transfers handled by Spectrum on your behalf.

Fees and Charges - At the present time, there is no transaction charge for ATM transactions conducted at ATMs with a Spectrum logo. There is also no transaction charge for the first eight cash withdrawals per month at an authorized network ATM, although other institutions may assess a surcharge. Withdrawals in excess of eight per month conducted at an authorized network ATM are subject to a fee (see separate Fee Schedule). If you request a copy of the documentation relative to an electronic fund transfer (except if the documentation is for resolution of a billing error), a fee equal to our reasonable cost of reproduction will be charged. If you have opted-in to Courtesy Pay (see Section IX. CHECKING AND MONEY MARKET/HIGH YIELD SAVINGS ACCOUNT TERMS) for ATM and one-time Debit Card transactions and you overdraw your account through an electronic fund transfer, a fee will apply. Any fees charged will be deducted from your designated Savings or Checking Account as disclosed in the Fee Schedule.

ATM/Point-of-Sale Transactions - You may access your Checking Account(s) to purchase goods (in person), pay for services (in person), and obtain cash from a merchant, if the merchant permits, or from a participating financial institution. You may use your Spectrum ATM/Debit Card to pay for goods and services at retail locations with point-of-sale (P.O.S.) terminals which are members of participating networks. The retailer may charge you a fee for P.O.S. transactions as disclosed in the Fee Schedule.

Debit Card Point-of-Sale Transactions - You may access your Checking Account(s) to purchase goods (in person, by phone, internet or mail), pay for services (in person or by phone), obtain cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

Debit Card Transaction Limitations - Your Debit Card has daily limits which you may not exceed for transactions conducted at ATMs, at merchants using a PIN, and at merchants using a signature. For more information about the limits associated with your card, please call the Credit Union.

Currency Conversion and Cross-Border Transaction Fees - If you conduct a transaction with your ATM/Debit Card in a currency other than US Dollars, Mastercard® or VISA® will convert the charge into a US Dollar amount. The Mastercard or VISA currency conversion procedure includes use of either a government-mandated exchange rate, or a wholesale exchange rate selected by Mastercard or VISA as applicable. The exchange rate Mastercard or VISA uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date of purchase or the date the transaction was posted to your account.

Mastercard charges us a Currency Conversion Assessment and an Issuer Cross-Border Assessment. VISA charges us an International Service Assessment (ISA) fee. It is our intent to pass through the actual Currency Conversion and Cross-Border Transaction fees to the card holder.

Advisory Against Illegal Use - You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

PC Access Transfers - You may access your account(s) by computer using your online credentials, to:

- (1) transfer funds from Checking to Savings or Money Market/High Yield Savings
- (2) transfer funds from Savings to Checking or Money Market/High Yield Savings
- (3) transfer funds from Money Market/High Yield Savings to Savings or Checking
- (4) transfer funds from your Money Market/High Yield Savings, Checking or Savings Account to the Money Market/High Yield Savings, Checking, Savings Account or loan of any other Spectrum member (cross-account transfers may only be made out of the accounts owned by the person initiating the transfer)
- (5) make payments from Checking, Savings, or Money Market/High Yield Savings to loan accounts with us
- (6) make payments from Checking, Savings, or Money Market/High Yield Savings to third parties
 - (a) You may transfer no more than \$50,000 per payment
- (7) obtain information about:
 - (a) the account balance of your Money Market/High Yield Savings, Savings, or Checking Accounts
 - (b) deposits made to your Money Market/High Yield Savings, Savings, or Checking Accounts if made within the last 60 days
 - (c) withdrawals made to your Money Market/High Yield Savings, Savings, or Checking Accounts if made within the last 60 days
 - (d) whether an individual check has cleared
 - (e) debits/checks that have cleared your Share Account
 - (f) previous year's dividends as needed for tax purposes

- (g) year-to-date dividends
(8) loan payment and pay-off information

FEES

- (1) We do not charge for direct deposits to any type of account.
(2) We do not charge for preauthorized payments from any type of account.
(3) Please refer to our Fee Schedule for additional information about charges.

ATM Operator/Network Fees - When you use an ATM without a Spectrum logo, you may be charged a fee by the ATM operator or any network used.

DOCUMENTATION

Terminal Transfers - You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal as governed by the then current applicable rules and regulations.

Preauthorized Credits - If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will notify you every time they send us the money.

You can call us at 510-251-6000 or 800-782-8782 to find out whether or not the deposit has been made.

Periodic Statements - You will receive a monthly account statement from us for your Checking or Money Market/High Yield Savings Accounts.

At a minimum, you will receive a quarterly account statement from us for your accounts. You will receive a statement for any month in which there are electronic fund transfers to or from your account.

PREAUTHORIZED PAYMENTS

Right to Stop Payment - If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this Agreement in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to submit your request in writing and deliver it to us within 14 days after you call.

Please refer to our Fee Schedule for the amount we will charge you for each stop-payment order.

Notice of Varying Amounts - If these regular payments may vary in amount, the person you are going to pay will notify you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

Liability for Failure to Stop Payment of Preauthorized Payment - If you follow the procedures above to order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for no more than the amount of payment.

FINANCIAL INSTITUTION'S LIABILITY

Liability for Failure to Make Transfers - If after receiving proper written instruction, we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) if, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) if you have an overdraft line and the transfer would exceed the credit limit.
- (3) if the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (4) if circumstances beyond our control (such as fire, flood, or earthquake) prevent the transfer, despite reasonable precautions that we have taken.

There may be other exceptions stated in our agreements with you. Spectrum may arrange for the availability of ATMs at various locations with access during non-business hours for the convenience of its Members. However, ATM sites are not subject to our control. You assume the risk of using them since Spectrum does not in any way warrant the security or safety of any location. Spectrum is not responsible for wrongful acts committed by anyone who is not an authorized agent or employee of Spectrum regarding your use of ATMs. Spectrum will not be liable for consequential damage that you claim results from our failure to complete a transaction.

CONFIDENTIALITY

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

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) in order to alert law enforcement regarding possible fraudulent or illegal activity; or
- (5) as explained in the separate privacy disclosure.

UNAUTHORIZED TRANSFERS

Consumer Liability - Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). You can lose no more than \$50 if someone used your card and/or code without your permission, and, either:

- (i) your card can be used to initiate a transaction without a PIN or other personal identification number, or
- (ii) you tell us within 2 business days after you learn of the loss or theft of your card and/or code. If you do NOT tell us within 2 business days after you learn

of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

• **Additional Limits on Liability for Debit Card.** You will not be liable for any unauthorized transactions using your Debit Card if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

Contact in Event of Unauthorized Transfer - If you believe your card and/or PIN has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check or draft without your permission.

ERROR RESOLUTION NOTICE

Notify us immediately at the telephone number or address listed in this disclosure, if you think your statement or receipt is incorrect or if you need more information about an electronic fund transfer recorded on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

SPECTRUM CREDIT UNION
P.O. BOX 2069

OAKLAND, CALIFORNIA 94604-2069

Phone: 510-251-6000 OR 800-782-8782

Email: spectrummail@spectrumcu.org

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

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

We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. In such cases, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless all of the owners of this account already had an established account with us before this account was opened.

We will notify you of the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation. More detailed information is available on request.

NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

Avoid using ATM machines alone at night or at sites that appear to have the potential for assault or robbery. Have any deposit voucher filled out before you arrive at the ATM. Put your money away and leave the site as soon as you have completed the transaction. Don't key your PIN into the machine when someone is in a position to see the number. Retain all transaction receipts and enter them in your records. Promptly verify all transactions against your periodic statement and report any apparent discrepancies to us.

VI. SAVINGS ACCOUNTS

PRIMARY SAVINGS ACCOUNT

Rate Information - The dividend rate and annual percentage yield may change monthly as determined by Spectrum's Board of Directors.

Dividend Computation Method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account for each day in which your balance is \$25.00 or greater.

Compounding and Crediting - Dividends will be compounded daily and credited to your account monthly.

Dividend Period - The dividend period is a calendar month. 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 is the last day of the dividend period, and for the example above is January 31.

If you close your Savings Account before dividends are paid, you will not receive the accrued dividends for that month.

Minimum Balance Requirements - The minimum balance required to open this account is \$25.00 for individuals, \$50.00 for joint member accounts. Should the balance in your Primary Savings Account fall below \$25.00 for individuals, or \$50.00 for joint members, Spectrum will assess a monthly Low Balance fee.

Transaction Limitations - Per federal Regulation D, there are transaction limitations as discussed in Section III. TERMS AND CONDITIONS H TRANSACTION LIMITATIONS.

Par Value of a Share - The par value of a share in this account is \$25.00.

SPECIAL PURPOSE SAVINGS ACCOUNT

The terms of the Special Purpose Savings Account are the same as the Primary Savings Account, except that there is no minimum balance requirement. Multiple Special Purpose Savings Accounts may be opened. (Please also refer to the Fee Schedule).

SPECIAL PURPOSE YOUTH SAVINGS ACCOUNT

The terms of the Special Purpose Youth Savings Account (My Savings Account) are the same as the Primary Savings Account, except only one My Savings Account per Social Security number may be opened and the primary individual on the account must be less than 22 years of age at time of opening. A special rate/APY may be earned on balances up to and including \$1,000.00. Balances of \$1,000.01 and above will earn our regular share savings account yield. When the primary member reaches 22 years of age the account will convert to a Special Purpose Savings Account.

CLUB ACCOUNT

The terms of the Club Account are the same as the Primary Savings Account, except that there is no minimum balance requirement and the account distribution schedule is established at account opening. Some Club Accounts may not be interest bearing. Multiple Club Accounts may be opened.

VII. CHECKING ACCOUNTS

Rate Information - The dividend rate and annual percentage yield may change monthly as determined by Spectrum's Board of Directors.

Dividend Computation Method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account for each day in which your balance is \$500.00 or greater.

Compounding and Crediting - Dividends will be compounded daily and credited to your account monthly.

Dividend Period - The dividend period is a calendar month. 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 is the last day of the dividend period, and for the example above is January 31.

If you close your Checking Account before dividends are paid, you will not receive the accrued dividends.

Minimum Balance Requirements - A minimum deposit may be required to open this account.

NEW SOLUTIONS CHECKING ACCOUNT

Minimum Balance Requirements - A minimum deposit may be required to open this account. This account does not earn dividends. A monthly fee is applicable, see the Fee Schedule for details.

HEALTH SAVINGS ACCOUNTS (HSA)

Health Savings Accounts are governed by the terms of this disclosure and the terms, disclosures and agreements in the HSA application and related documents, which are incorporated herein by reference.

Any distributions taken by a Debit Card, credit or stored value card will be reported to the IRS as normal distributions.

VIII. MONEY MARKET/HIGH YIELD SAVINGS ACCOUNTS

These accounts combine high yields with limited free check-writing privileges. See Sections III. TERMS AND CONDITIONS H. TRANSACTION LIMITATIONS and IX. CHECKING AND MONEY MARKET/HIGH YIELD SAVINGS ACCOUNT TERMS for additional terms.

Rate Information - The dividend rate and annual percentage yield are variable and may change at any time, as determined by Spectrum's Board of Directors.

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

Compounding and Crediting - Dividends will be compounded daily and credited to your account monthly.

Dividend Period - The dividend period is a calendar month. 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 is variable and may change at any time during the month.

If you close your Money Market/High Yield Savings Account before dividends are paid, you will receive the accrued dividends for that month.

Transaction Limitations - Per federal Regulation D, there are transaction limitations as discussed in Section III. TERMS AND CONDITIONS H. TRANSACTION LIMITATIONS.

Tiering Structure - See the separate account Rate Sheet provided at account opening (also available online or in branches) for details regarding annual percentage yields and dividend rate tiers, and the minimum balance required for each tier to obtain the rate. Dividend rates specified for tiers are paid on the entire account balance.

IX. CHECKING AND MONEY MARKET/HIGH YIELD SAVINGS ACCOUNT TERMS

In order for Spectrum to honor checks drawn on a Checking or Money Market/High Yield Savings Account, they must be completed in full, signed, endorsed, and MICR encoded professionally.

Checking transactions are governed by California and federal law and our Spectrum procedures, as modified from time to time. This applies also to checks drawn against a Line-of-Credit Account, a Home Equity Line of Credit (HELOC) Loan, or any other type of loan you may access by using a check.

Spectrum is under no obligation to pay a check when the date is more than six (6) months old, but may do so without responsibility to you unless you have placed and continued a written stop-payment order on the check.

Overdraft Protection from available funds in your Share Savings, Money Market/High Yield Savings or Line-of-Credit Accounts will be automatically established at the time a new membership is opened. Overdraft Protection for eligible sub accounts established after the membership is opened is available upon request. Unless you direct us otherwise, funds to cover an overdraft in your Checking Account will be taken as follows:

- (1) Available funds in your Primary Savings Account will be transferred to the Checking Account in multiples of \$100.00. Should you not have sufficient available funds in your Primary Savings Account to cover the overdraft and you have a Special Purpose Savings Account(s), transfers will be made from this account. Should you not have sufficient available funds in your Primary Savings Account or Special Purposes Savings Account(s), transfers will be made from this account. Transfers will be made in multiples of \$100.00. However, such transfers are limited to a maximum of six (6) per month. Transactions that would cause your Primary Savings Account to be less than \$25 (\$50 for a Joint Account) will not be made.
- (2) Should you not have sufficient available funds in your Primary Savings Account, Special Purpose Savings Account(s) or Money Market/High Yield Savings Account(s) to cover the overdraft and you have other lines-of-credit in good standing with Spectrum, these will be used. Loan Advance transfers will be made in multiples of \$100.00. However, no transfers will be made that would cause your Line-of-Credit Account to exceed its limit. These transfers are subject to finance charges from the date of advance as described in the Credit Line Account Agreement and Disclosure.
- (3) At our sole option, we may also honor items for which there are insufficient available funds in your account (even if you do not have available Overdraft Protection from a Share Account or Line-of-Credit Account). We will assess the overdraft fee disclosed on the Fee Schedule.

In addition, you may qualify for Courtesy Pay as described in the disclosure you will receive. Should you qualify for Courtesy Pay, you must tell us if you want your Courtesy Pay privileges to include ATM and one-time Debit Card transactions. If you do not opt-in and you do not have sufficient available funds in your account, these transactions will be denied. Overdrafts are always paid at our discretion, which means that we do not guarantee that we will always authorize and pay any type of transaction clearing against your account.

You must restore any amount by which your account is overdrawn immediately upon our demand. If you prefer that we return any items other than ATM and one-time Debit Card transactions that would overdraw your account rather than paying them, please notify Spectrum in writing.

If there are insufficient available funds in your account (including Overdraft Protection and Courtesy Pay) to pay a check you have written when it is presented, we may return the check to the financial institution where it was deposited. If there are insufficient funds in your account to pay a check you have deposited which is returned to us unpaid for any reason, we will charge the amount of the check and any fees to your account. At our sole option, we may automatically redeposit any check deposited to your account which is returned to us for any reason, without notice to you. You agree that you will pay Spectrum, immediately upon demand, the full amount of any overdraft in your account.

You may stop payment on any check drawn on your account by providing us with a specific description of the check to be stopped before the check has been presented to us for payment. The stop-payment order must be received in time to give us a reasonable opportunity to act on it. We will honor a stop-payment request made by the person who signed the particular item, or by any other person who is authorized to write checks or withdraw funds from the account on which the item was written. The stop payment order may be given in writing, orally or through PC Access and must precisely and accurately identify the number, date and amount of the item and the payee. Spectrum will not be responsible for failing to stop payment on any check which: 1) has not been accurately described, or 2) was presented for payment prior to the time the stop payment order was received even if we looked and did not discover the check had been presented before the order was placed. Oral stop payments up to established dollar limits are valid for 14 days unless confirmed in writing. Written and PC Access stop payment orders are valid for only six (6) months and must be renewed by you in writing for additional coverage. You agree to pay us the fee disclosed in our Fee Schedule for each stop payment order you place. Additional limitations on our obligation to stop payment are provided by law.

Postdated checks may be cashed or accepted for deposit if presented by the payee before the date specified on the check. We will not be liable for the consequences of such early payment.

Permanent Records - We will send you monthly statements recording all deposits, checks drawn on your account, transfers, withdrawals, dividends, if any, and charges. If there is more than one owner of the account, the statement will be sent to the address on record for the primary owner unless otherwise requested. At your option, you will be enrolled in e-statements. An e-statement disclosure will be provided at the time of enrollment. You must read and acknowledge the authorization and consent for electronic delivery of notices, provide us with a true, accurate and complete email address, and meet all current and future hardware or software requirements. You must confirm electronically your consent to receive electronic statements and disclosures. You can opt out of e-statements at any time by following the instructions in PC Access, by telephoning Spectrum, in person at a Spectrum branch, or by sending us an authenticated written request. Spectrum is relieved of all liability for items lost in delivery by U.S. mail or otherwise, or for items sent to you in electronic form but not retrieved by you. If any mailed statements, vouchers, or notices are returned undelivered by U.S. mail, Spectrum is authorized to destroy them after two years.

Cleared checks are not returned to you. They are imaged and retained by Spectrum and available through PC Access and mobile banking. Photocopies may be requested through PC Access or by calling our Telephone Service Center 24 hours a day.

Errors - Please read your statements promptly to be sure there are no errors. Spectrum will be responsible for any errors which we make, provided you notify us in writing within 60 days from the time we made your statement containing the error available. Except as required by applicable law, we will not be liable for our mistakes if you fail to notify us within the 60-day period.

- (1) If we correct any error which we made, or accept any responsibility for a transaction, we have the right to collect the amount credited to your account from anyone else who is responsible. Our crediting your account will result in the automatic assignment to us of your rights to collect the amount from anyone else.
- (2) If we make an error in handling your account, our liability will be limited to the actual damages, which is the amount of the check. We will not be liable for consequential damages, such as alleged harm to your credit standing, unrealized profits, emotional distress, or exemplary damages due to a claimed reckless disregard of the consequence of our actions.
- (3) You must exercise reasonable promptness in examining statements to determine whether any payment was not authorized because of forgery or alteration. You must notify us of any such unauthorized charge within 60 days from the time we made your statement available to you. If you do not, Spectrum will not be liable for any loss suffered by you.

Closing Your Account - Any owner of an account may request that it be closed. We reserve the right to require written verification of a request to close an account. We have the right to close the account on ten days written notice to you at your last known address. Of course, any termination of the account will not affect our handling of regular transactions prior to the notice, provided sufficient funds are on deposit to handle them.

- (1) Accounts which have no activity for 90 days can be closed at Spectrum's option.
- (2) Other grounds for closing the account include your failure to provide funds sufficient to pay the checks you write, your failure to keep up current loan payments, your inappropriate use of the account or our services, or your failure to observe the conditions of any other agreement with Spectrum.
- (3) We may close your account immediately and without notice to you if we believe that action is necessary to prevent a loss to you or Spectrum.

As required by law, you are hereby notified that a derogatory report may be submitted to a consumer reporting agency if you fail to maintain your Checking Account in a satisfactory manner.

X. MEMBERSHIP PROMOTION

We may offer certain promotional payments of \$10 or more in value, including gifts or awards, when you open, maintain, or renew certain accounts with us, or if you increase your account balance. Any such promotion will be subject to additional terms and conditions provided to you, and such promotion will not apply to all accounts.

XI. INDIVIDUAL RETIREMENT ACCOUNTS (IRA)

We offer a variety of Individual Retirement Account (IRA) investments.

The terms of the IRA Accumulative Account are the same as the Special Purpose Savings Account. The terms of IRA Share Certificates are the same as non-IRA Share Certificates. The terms of the IRA Money Market/High Yield Savings Account are the same as the non-IRA Money Market/High Yield Savings Account, except to the extent check writing or other transactions are limited by federal or state law. You will receive additional documentation when opening an IRA.

In the absence of instructions, deposits will be credited to the tax year in which the funds are received.

IRAs are governed by federal and state tax laws. Consult your separate IRA agreement for restrictions on deposits, withdrawals, and tax penalties.

XII. SHARE CERTIFICATES

This is a term share account. This account is not transferable or negotiable.

Rate Information - Please refer to our separate sheet for information on dividend rates and annual percentage yields. You will be paid the disclosed rates until first maturity.

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

Compounding Frequency - Dividends will be compounded daily.

Crediting Frequency - Dividends will be credited monthly. You may choose to have your dividends reinvested to your Share Certificates or paid to another account of yours at Spectrum, or paid to you by check.

Dividend Period - For this account type, the dividend period is monthly.

Minimum Balance Requirements - The minimum balance required to open a Share Certificate is \$500.00.

Transaction Limitations - After the Share Certificates are opened, you may not make additions into the account until the maturity date stated on the account.

You may not make withdrawals of principal from your Share Certificates before maturity.

Maturity - The maturity date for your Share Certificates will be given on a separate disclosure.

Early Withdrawal Penalties (a penalty will be imposed for withdrawals before maturity) -

- (1) If your account has an original maturity of one year or less:
The penalty we may impose will equal three months of dividends.
- (2) If your account has an original maturity of more than one year through two years:
The penalty we may impose will equal six months of dividends.
- (3) If your account has an original maturity of more than two years through three years:
The penalty we may impose will equal nine months of dividends.
- (4) If your account has an original maturity of more than three years:
The penalty we may impose will equal 12 months of dividends.

There are certain circumstances, such as the death or incompetence of an owner, where we may waive or reduce this penalty. See your plan disclosure if the applicable account is part of an IRA or other tax qualified plan.

Withdrawal of Dividends Prior to Maturity - The annual percentage yield 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) or we receive written notice from you within the grace period mentioned below. We 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.

Upon maturity, each renewal term will be the same as the original term, provided such terms are still offered. In the event the original term is no longer offered, the certificate will renew to the closest term then available. The dividend rate will be the current rate offered on the maturity date for certificates with the same term, minimum balance (if any) and other features.

You will have a grace period of ten calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

Please see Fee Schedule for fees related to all Share Accounts.

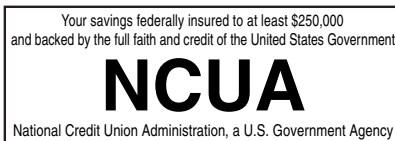
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