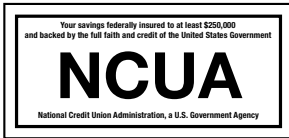




PO Box 25020  
 ANAHEIM, CA 92825-5020  
 800.948.6677  
 PARTNERSFCU.ORG

# TRUTH-IN-SAVINGS AGREEMENT AND DISCLOSURE

Effective: June 20, 2009



Your savings are insured up to \$250,000 by the National Credit Union Administration (NCUA), an agency of the U.S. Government. Your IRA savings are insured separately up to \$250,000 by the NCUA.

The Investor Money Market Account is insured for an additional \$250,000 per Member by American Share Insurance.



**AGREEMENT AND DISCLOSURES RELATING TO ALL CREDIT UNION ACCOUNTS**  
 In the following Agreement(s) and Disclosures, the words "you", "your" and "yours" mean each and all of those (whether one or more persons) who are subject to the terms of the Agreement as a result of signing an account signature card, share certificate or other documents for each respective account. The words "we", "us", "our" and "Credit Union" mean PARTNERS FEDERAL CREDIT UNION®. The Rate Sheet and Schedule of Fees is incorporated by reference herein. These Disclosures are presented for your information and are accurate as of the date shown on the cover. You may always obtain more information by calling our Member Service Department at: 800.948.6677.

The Credit Union has the right to terminate any Agreement or change its terms, conditions, requirements, charges or fees at any time upon sending written notice to you when required by law at your address of record.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT**  
 Federal law requires all financial institutions to help the government fight the funding of terrorism and money laundering activities by obtaining, verifying, and recording information that identifies each person who opens an account.

What this means to you: When you open an account we 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.

Your membership with the Credit Union is conditional pending our verification of your identity pursuant to Section 326 of the USA Patriot Act within 30 days of opening your account. If we cannot verify your identity your account will be closed and you will not become a Member of the Credit Union.

To become a Member in Partners Federal Credit Union you must open and maintain a Primary Savings account. You must be a Member in order to use other existing Credit Union products and services. To open any account at the Credit Union, you must fill out an applicable information sheet, provide the required identification and sign all applicable account cards and other necessary documents, all of which are fully incorporated by reference herein.

- GENERAL DISCLOSURES APPLICABLE TO ALL ACCOUNTS**
1. Dividends on all accounts are paid as permitted by the Federal Credit Union Act and Regulation and in accordance with the Bylaws of the Credit Union.
  2. The provisions for bank deposits and collections in the Uniform Commercial Code ("UCC") shall apply to transactions affecting this account and the term "bank" shall include the Credit Union for the purpose of applying the UCC to this Agreement.
  3. If you fail to comply with any term of this Agreement, you promise to pay all the collection costs and attorney fees that the Credit Union incurs in enforcing this Agreement whether or not the matter is litigated.
  4. The Credit Union may delay enforcing its rights under this Agreement without losing them. Any waiver by the Credit Union shall not be deemed to be a waiver of other rights or of the same rights at another time.
  5. You authorize the Credit Union to release information regarding the status and history of your account to others such as credit bureaus, merchants and other financial institutions.
  6. You agree to be bound by the bylaws, regulations and policies of the Credit Union, now in effect or as they may be amended.
  7. Federal law requires us to report to the Department of the Treasury, Internal Revenue Service, certain large transactions in currency. We may report other transactions at our discretion.
  8. All accounts (except Checking Accounts) are not transferable except as defined in Federal Reserve System Regulation D (12 CFR, Part 204).
  9. We may endorse checks for you which we receive for deposit without your endorsement.
  10. All non-cash payments received for deposit to any account are credited subject to final payment and are subject to our Funds Availability Policy included with this Disclosure and Agreement.
  11. Account statements may be sent electronically through our eStatements service if you opt-into this service. If you do not opt-into eStatements, your statements will be mailed to the primary address shown on our records. You must exercise reasonable care and promptness in reconciling your statement, and in all cases, you must notify us of suspected errors within the time limits set forth in the "UCC" and the Check Clearing for the 21st Century Act (Check 21) or you are precluded from any action against us. See the Credit Union's Funds Availability Policy.

12. We may pay out funds or transact business pertaining to any account upon the signature of any one of the account owners or upon the signature of any designated agent(s). An agent may be appointed through an acceptable written Power of Attorney. We have no duty to monitor or insure that the acts of the agents are for your benefit. We may continue to honor transactions of the agent until:
  - A. We have received written notice or have actual knowledge of the termination of the attorney in fact or the death of the owner, and
  - B. We have reasonable opportunity to act on that knowledge.
13. You or we may terminate any account at any time. You understand, however, that any authority you provided to us may not be changed or terminated except by written notice to us which will not affect any transactions prior to our receipt of your notice.
14. Accounts are subject to the California Multiple-Party accounts Law and Florida Statutes, as applicable, if the account is a joint account, P.O.D. account with a single party, or a P.O.D. account with multiple parties. As used herein, a "joint account" is an account owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). A "P.O.D. account with single party" is an account owned by the named party. Upon the death of that party, ownership passes to the named pay-on-death payee(s). A "P.O.D. account with multiple parties" is an account owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s). If the account is held by a partnership or other association for business purposes or is held in the name of an individual as a trustee under a declaration of trust or testamentary trust or by a personal representative, guardian or conservator, the applicable California Multiple-Party accounts Law and Florida Statutes shall apply.
15. We are not responsible for items lost while not in our possession. We are not responsible for transactions by mail or outside depository until we actually post them.
16. Unclaimed Property Laws: California law provides that inactive balances must be turned over to the state (escheated) after a period of three (3) years under certain conditions. These conditions are:
  - a) Owner's (Member's) address is in California, or
  - b) No Owner (Member) address is shown on the Credit Union's records and the Credit Union's principal office is in California, or
  - c) Owner's (Member's) address is in another state and Credit Union's principal place office is in California, and the state in which the member resides does not escheat that item, or
  - d) Owner's (Member's) address is in a foreign country but the Credit Union's principal office is in California.
 Members with an address on the Credit Union's records that is in Florida are subject to Florida law which provides that funds may be escheated after five (5) years. For both states, funds may be escheated after the stated time period if you have not:
  - A. claimed a cash dividend, paid in or withdrawn funds, or increased or decreased the amount of the account; or
  - B. Corresponded in writing or electronically with us concerning the account; or
  - C. Otherwise indicated an interest in the account as evidenced by a memorandum on file with us or other record on file with us (example: a pledge of shares as security for a loan) (Florida laws indicates "memo or other record prepared by an employee of the Credit Union"); or
  - D. Has no other active relationship with the Credit Union.
17. You agree that by signing any account membership agreement and signature card or certificate you are also subject to the terms and conditions of the form of account (as described above and below) which you have opened. You authorize us to contact and inquire of your references, your spouse, and your employer(s), past, present, and future, to verify any information you have provided and to obtain consumer reports on you. You also authorize us to release information regarding the status and history of any of your accounts to others such as credit bureaus, merchants, and other financial institutions.
18. General Schedule of Fees:
  - A. You agree to pay us all costs and charges incidental to the Checking Account according to the Schedule of Fees established and as it may be changed and made available by us from time to time. We shall debit such charges against the Checking Account, except where there are insufficient funds available, and then such charges shall be treated as overdrafts.
  - B. You agree to pay us all costs and charges incidental to all other accounts with us according to the Schedule of Fees established and as it may be changed and made available by us from time to time. We shall debit such charges in the following order: (1) against the account upon which the charge is assessed, (2) against your Checking Account, except where there are insufficient funds available, and then such charges shall be treated as overdrafts.
  - C. A current copy of our Schedule of Fees is available at our branches.
19. No transfer of voting rights or other membership privilege is permitted by virtue of transfer of shares.
20. You agree that we may impress and enforce a lien on any or all of the shares on deposit (except IRA accounts) in any account, whether individually or jointly, to the extent of any loan or loans with us, subject to current loan policies and for fees and charges due to us. Also, the law provides that under certain circumstances we may apply funds on deposit in your account to satisfy a debt you owe us which is not paid when due. If we exercise this right,

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- we will advise you and identify the account from which funds are transferred, the debt to which they were applied and the balance after the transfer in each of these accounts.
21. An overdraft fee may be charged on checks, ACH transactions, ATM withdrawals and Point-of-Sale transactions as indicated on the attached Schedule of Fees.
22. The Board of Directors reserves the right to amend the Schedule of Fees included with this disclosure from time to time.
23. Partners Federal Credit Union insures accounts through a combination of the National Credit Union Administration, an agency of the federal government, and on specified accounts, additional coverage on Investor Money Market Accounts through American Share Insurance (ASI).
24. All withdrawals are subject to verification by the Credit Union. Your signature on the membership application and signature card authorizes your account access.
25. Funds may be deposited to any account, in any manner approved by the Credit Union.
  - A. Deposits made by mail or at facilities non-staffed are not our responsibility until we receive them. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence.
  - B. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. Items sent for collection are subject to any fees listed in the Schedule of Fees enclosed.
  - C. All deposits are subject to verification by the Credit Union and are handled in accordance with Partners Federal Credit Union's Funds Availability Policy that is included at the end of this Disclosure and Agreement.
26. Ownership of the account will be established by the most recent Membership Application (signature card) or other approved document(s) evidencing such accounts that we have on file for you. A different form of ownership may be established by executing a new Membership Application. If ownership or the right to make withdrawals from your account becomes in dispute for any reason, we may, in our discretion, refuse payment of the balance in the account until the dispute is settled.
27. You agree that we will not be responsible to you for any damages you may incur in the event you deposit an item with us which is later returned unpaid by the paying bank and that return is "late" due to markings on the back of the check caused by a prior endorser.
28. If we are served with a restraining order, garnishment, writ of execution or attachment, tax levy or other legal process with which we must by law comply, we will, to the extent permitted by law, notify you accordingly.
29. California law governs this Agreements and Disclosure.

**GENERAL INFORMATION ABOUT ALL ACCOUNTS ACCRUAL OF DIVIDENDS ON NON-CASH DEPOSITS:** Dividends begin to accrue on the business day you deposit non-cash items (e.g., checks) to your account if deposited before close of business.

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

**BYLAW REQUIREMENTS:** A Member who fails to complete payment of one share within 2 months of his/her admission to membership, or within 2 months from the increase in the par value in shares, or a Member who reduces his/her share balance below the par value of one share and does not increase the balance to at least the par value of one share within 2 months of the reduction may be terminated from membership at the end of a dividend period.

Shares may be transferred only from one Member to another, by written instrument, in such form as we may prescribe. We reserve the right, at any time, to require Members to give, in writing, not more than 60 days' notice of intention to withdraw the whole or any part of the amounts so paid in by them.

No Member may withdraw shareholdings that are pledged as required for security on loans without the written approval of a loan officer, except to the extent such shares exceed the Member's total primary and contingent liability to us. No Member may withdraw any shareholdings below the amount of his/her primary or contingent liability to us if he/she is delinquent as a borrower, or if borrowers for whom he/she is comaker, endorser, or guarantor are delinquent, without the written approval of a loan officer. The maximum amount of shares which may be held by any one Member shall be established from time to time by the board.

**PAR VALUE MINIMUM DEPOSIT AND BALANCE INFORMATION:** The par value of a regular share is \$5.00. For all accounts you must open a Primary Savings account and purchase a \$5.00 share (\$5.00 daily balance) to open and maintain the account and avoid closure. You must open a Primary Savings Account to open any subsequent accounts. A 90-day waiting period is required before re-opening a Primary Savings account closed by you. Accounts will be opened at Partners Federal Credit Union's discretion.

**OVERDRAFT FEE**

A check, ACH debit, ATM withdrawal or POS transaction that is presented to the Credit Union for payment on your account when the account has insufficient funds available to pay that item may, at our option, be returned for insufficient funds or we may pay the item and charge you a fee (refer to the Schedule of Fees).

**EXAMINATION OF PERIODIC STATEMENTS:** You are responsible for the examination of your statements and reporting any irregularities to us. If you think your statement has an error, notify us in writing no later than 60 days (30 days for checks) after we sent you the first statement on which the error or problem appears.

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**DELIVERY OF PERIODIC STATEMENTS:** Your periodic statements may be delivered as a paper statement by U.S. Mail, or electronically using the eStatements service available on PartnersLink. Electronic delivery is a paper statement replacement and requires:

1. your affirmative consent,
2. and, that the credit union has provided to you the access and equipment requirements for electronic delivery.

The Electronic Statement Delivery Notice has been provided to you and includes the requirements for accessing and retaining copies of electronic communications and statements. Before giving your consent to obtain your statements electronically carefully review this notice.

Give your affirmative consent to receive eStatements by:

1. Selecting PartnersLink on our Web site, successfully logon to PartnersLink and requesting eStatements;
2. Or, when you establish your account by indicating to the Member Service Representative you want electronic statement delivery.

No consent or notification is required to receive paper statements delivered by U.S. Mail. You may sign up for eStatements at any time by logging on to PartnersLink. To revoke the eStatements service and reinstate delivery by U.S. Mail send a message through the Messages option on PartnersLink or writing us at: P.O. Box 25020, Anaheim, CA 92825-5020.

#### SHARE ACCOUNTS

Partners Federal Credit Union's share accounts let you deposit your money in a savings account and withdraw your money at any time. Our share accounts are Primary Savings, Traditional Christmas Club, Special Savings, and IRA savings.

#### INFORMATION ABOUT ALL SHARE ACCOUNTS

**RATE INFORMATION:** The initial dividend rate and annual percentage yield ("APY") is stated on the Rate Sheet accompanying this Disclosure. Unless otherwise indicated, all share accounts are variable rate accounts. The rate is a single tier rate and APY unless exceptions are indicated. The Rate and APY may change at any time in the Credit Union's discretion.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends will be compounded monthly and will be credited monthly. The dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your account before dividends are credited, you will not receive accrued dividends.

**BALANCE INFORMATION:** We compute the balance on all share accounts to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in your account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your Share Accounts may have certain minimum deposit and minimum balance requirements. The minimum deposit and daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet.

**TRANSFERS TO THIRD PARTIES (REGULATION D):** During any month, you may not make more than 6 withdrawals or transfers from your designated savings account (select one: Primary Savings, Special Savings or a Money Market account) to another credit union account of yours or to a third party by means of a pre-authorized or automatic transfer or telephonic order or instruction.

No more than three (3) of the six (6) transfers may be made by check, draft, Check Card, or similar order to a third party. Any excess withdrawals will be returned unpaid and assessed the non-sufficient funds item fee shown on the Schedule of Fees.

**TRANSACTION LIMITATIONS:** The maximum number of in person withdrawals you may make in a calendar quarter is six (6). Exceeding this transfer or withdrawal limitation in any quarter, your account will be subject to the fee stated in the Schedule of Fees.

**ABILITY TO PLEDGE FUNDS:** Unless otherwise indicated in the specifics of each savings account listed in this Disclosure, the account owners may pledge all or any part of the funds in the savings as security for a loan or loans. See the section titled "Funds Cannot be Pledged" for exceptions and variations particular to any savings or checking account.

#### PRIMARY SAVINGS ACCOUNT

**TRANSACTION LIMITATIONS:** Other than as stated above, no transaction limitations apply to your Primary Savings account.

**APPLICABLE FEES:** The monthly service fee will not apply if your aggregate balance is \$500 or greater, OR you have direct deposit to your Partners Checking account. The overdraft transfer from savings fee may apply per occurrence of overdraft.

#### PRIMARY SAVINGS ENHANCED FOR MEMBERS UNDER AGE 18

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your Little Partners (age 12 and under) or Partners Jamz (age 13 to 17 years) account is established by a Primary Savings account. The minimum deposit and balance requirements for a Primary Savings account apply as shown on the Rate Sheet.

**APPLICABLE FEES:** No membership or monthly fees apply to this account. All other applicable

fees shown on the Schedule of Fees apply to this account.

**TRANSACTION LIMITATIONS:** Other than as stated above, no transaction limitations apply to this account.

#### TRADITIONAL CHRISTMAS CLUB ACCOUNT

Partners Federal Credit Union offers a Christmas Club account which lets you save money for the holiday season.

**TRANSACTION LIMITATIONS:** There are certain transaction limitations associated with your Traditional Christmas Club account.

Withdrawals may be made from your account or you may close your account during the first seven days after it is open without penalty or forfeiture of dividends.

Thereafter, no withdrawals may be made from your Traditional Christmas Club account prior to November 1 each year. Any withdrawals prior to November 1 (except withdrawals during the first seven days the account is open) will constitute a request to close your Traditional Christmas Club account and any funds not withdrawn will be transferred to your Primary Savings account. In addition, (except withdrawals during the first seven days the account is open) a penalty equal to the loss of all dividends will be assessed on early withdrawals.

**MATURITY DATE:** On November 1st of each year, the available account balance, including dividends, will be transferred to your Checking Account or your Primary Savings account if you do not have a Checking Account.

**RENEWAL OF ACCOUNT:** Your Traditional Christmas Club account will automatically renew after the account balance is transferred to your Checking Account or Primary Savings account unless you fail to make further deposits to your Traditional Christmas Club account.

#### SPECIAL FEATURES FOR CLUB MEMBERS

**COLLEGE SAVER CERTIFICATES:** A club exclusively available for Little Partners and Partners Jamz Members. The minimum to open the certificate is \$500. Deposits are unlimited and a \$25 minimum applies to each deposit. No penalty for early withdrawal after the Member's 17th birthday. Refer to the enclosed Rate Sheet for the APY.

#### LITTLE PARTNERS ACCOUNT (12 YEARS AND YOUNGER)

Special mailings arrive throughout the year: posters, newsletters and other Little Partners-friendly information.

#### PARTNERS JAMZ (AGES 13 TO 17)

A Partners Jamz Checking account with an ATM card for those 16 years or older is available. Loans are available: the First Time Auto Program and computer loans. Annually Partners awards scholarships to Partners Jamz Members continuing their education. Special mailings throughout the year include newsletters with financial and educational information.

#### SPECIAL SAVINGS ACCOUNTS

You may open Special Savings accounts once you have established a Primary Savings account. These accounts may be named new car, property taxes, vacation, Christmas or another name of your choice.

**APPLICABLE FEES:** No membership fee applies to this account. All other applicable fees shown on the Schedule of Fees apply to this account.

**TRANSACTION LIMITATIONS:** Other than as stated above, no transaction limitations apply to your Special Savings account(s).

#### IRA SAVINGS ACCOUNT

Our IRA Savings accounts are the Traditional, Roth and Coverdell Education Savings Account (ESA).

#### INCORPORATION OF IRA AGREEMENT AND DISCLOSURES

All other terms and disclosures for our IRAs are contained in the Credit Union's IRA Agreement and Disclosure Statement, which by this reference is incorporated into the account disclosure in its entirety. When you open your IRA, the Credit Union's Agreement and Disclosure Statement will be provided to you.

**TRANSACTION LIMITATIONS:** Other than as stated above, no transaction limitations apply to your IRA savings account. Certain federal and state penalties may apply when IRA funds (including dividends earned on IRA funds) are withdrawn early and the maximum yearly contribution you may make to an IRA account is limited under the Internal Revenue Code. See your IRA account application and agreement for details.

**FUNDS CANNOT BE PLEDGED:** All or any part of funds in an IRA Savings may not be pledged as collateral security for a loan or loans.

#### INFORMATION ABOUT ALL MONEY MARKET ACCOUNTS

**ACCOUNTS AVAILABLE:** Our Money Market Accounts are the Money Market Savings, Money Market Checking Account, Premier Money Market Savings Account and the Investor Money Market Savings Account. The Investor Money Market Savings Account is only available to Members participating in Partners Wealth Management services.

**RATE INFORMATION:** The initial dividend rate and annual percentage yield ("APY") is stated on the Rate Sheet accompanying this Disclosure. Unless otherwise indicated, Money Market Accounts are variable rate accounts. The Rate and APY may change at any time in the Credit Union's discretion.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends will be compounded monthly and will be credited monthly. The dividends on a money market are computed on the daily balance to determine the dividend you will be paid by using the daily dividend balance method which applies a daily periodic rate to the balance in your account each day. If you close your account before dividends are credited, you may receive accrued dividends.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your Money Market Account(s) has certain minimum deposit and minimum balance requirements that you must maintain to avoid a service fee (refer to the Schedule of Fees). The minimum deposit and daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet.

**TRANSFERS TO THIRD PARTIES (REGULATION D):** During any month, you may not make more than 6 withdrawals or transfers from your designated savings account (select one: Primary Savings, Special Savings or a Money Market Account) to another credit union account of yours or to a third party by means of a pre-authorized or automatic transfer or telephonic order or instruction.

No more than three (3) of the six (6) transfers may be made by check, draft, check card, or similar order to a third party. Any excess withdrawals will be returned unpaid and assessed the non-sufficient funds item fee shown on the Schedule of Fees.

**TRANSACTION LIMITATIONS:** The maximum number of withdrawals you may make from your Money Market Account is six (6) per statement period. The maximum checks cleared from a Money Market Checking account is three (3) per statement. If you exceed the transfer, check or withdrawal limitations in any month, your account will be subject to the excessive withdrawal and check writing fees stated in the Schedule of Fees and it may be subject to closure. No monthly service fee applies to Money Market Accounts.

**ABILITY TO PLEDGE FUNDS:** Unless otherwise indicated the account owners may pledge all or any part of the funds in the savings as security for a loan or loans. See the section titled "Funds Cannot be Pledged" for exceptions and variations particular to any Money Market savings or checking account.

**FUNDS CANNOT BE PLEDGED:** All or any part of a Money Market Checking account may not be pledged as collateral security for a loan or loans.

#### **INFORMATION ABOUT ALL PARTNERS CHECKING ACCOUNTS**

Partners Federal Credit Union offers the Partners Checking Account three checking options: Basic Checking, Classic Checking and Premier Checking (collectively called "Checking Account"), which lets you withdraw your money and write checks against your account at any time.

**RATE INFORMATION:** The initial dividend rate and annual percentage yield ("APY") on your Checking Account is stated on the Rate Sheet accompanying this disclosure. Your Checking Account is a variable rate account. This rate and APY may change at any time in the Credit Union's discretion.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends will be compounded monthly and will be credited monthly.

The dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your account before dividends are credited, you will not receive accrued dividends.

**BALANCE INFORMATION:** We compute the balance on your Checking Account to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for that period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing the figure by the number of days in the period.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** The minimum deposit required for you to open and the minimum average daily balance to maintain to earn dividends is shown on the enclosed Rate Sheet. If during any month your average daily balance falls below the required minimum to earn dividends, you will not be paid dividends for that month.

**TRANSACTION LIMITATIONS:** Any transaction limitations applicable to your Checking Account(s) are stated on the attached Schedule of Fees.

**CHECKING OPTIONS:** All of the checking account options feature electronic statements, computer and telephone transactions, bill payment service, access to cash at ATMs worldwide, overdraft protection from a savings and other benefits. Here are additional features for the checking accounts:

1. Basic Checking: includes all the benefits listed above; a line of credit is not available to tie to this account for additional overdraft protection.
2. Classic Checking: all the benefits of Basic Checking plus: (1) a line of credit may be tied to this account for additional overdraft protection; and (2) direct deposit, or \$1,000 account balance waives the monthly service fee shown on the Schedule of Fees.
3. Premier Checking: all the benefits of Classic Checking plus: (1) dividends earned on the average daily balance shown in the Rate Sheet.

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#### **TERMS AND CONDITIONS APPLICABLE TO CHECKING ACCOUNTS**

1. By signing the appropriate application, you authorize the Credit Union to establish a share draft account for you to be known as a Checking Account.
2. If there is more than one owner of this account, the account shall be owned by you jointly with the right of survivorship.
3. The Credit Union is authorized to pay checks signed by you or your joint owners, if any, and to charge the payment against your account.
4. The Credit Union may refuse to pay checks if such payment would exceed available funds in the account and funds available under the Overdraft Protection Option, if selected. If the Credit Union does pay such check(s), which the Credit Union may do whether or not you have selected Overdraft Protection, you agree to pay upon demand by the Credit Union any overdraft amount and service charge we may impose (in accordance with the Credit Union's Schedule of Fees and Charges) not covered by an Overdraft Protection Option. You will be liable for any overdraft even if the overdraft is caused by a joint owner and you have received no benefit from the item causing the overdraft.
5. You authorize the Credit Union to pay any overdraft items and any fees for Credit Union services from funds subsequently deposited into your account unless prohibited by law. You are responsible for immediately depositing sufficient funds in your account to cover all items paid and to pay all fees otherwise we will offset amounts you owe us against your next deposit.
6. The right or authority of the Credit Union under this Agreement shall not be changed or terminated by you except by written notice to the Credit Union which shall not affect transactions made before the Credit Union actually receives the notice of change or termination.
7. To close the account, the Credit Union must be notified in writing and receive a signed check written for the full balance.
8. Only check forms or other access devices approved by the Credit Union may be used to access or withdraw funds from this account. The order checks pay is from the smallest dollar amount presented to the largest dollar amount.
9. Except for negligence on its part, the Credit Union is not liable for any action it takes or fails to take regarding the payment or nonpayment of a check and under no circumstances will we be liable for more than the amount of the item.
10. We may pay a check on whatever day it is presented for payment notwithstanding the date (or any limitation on the time of payment) appearing on the check unless you give us notice as required under the UCC.
11. Any objection concerning any item shown on a monthly statement for the account shall be waived unless made in writing to the Credit Union on or before the time limits set forth in the "UCC" and the "Check 21" guidelines.
12. The Credit Union is under no obligation to pay a check on which the date is more than six (6) months old, but we may pay the check in our discretion. We are under no obligation to hold a post-dated check and we reserve the right to process every item presented as if dated the same date received by us or our check processor unless you give us notice as required under the UCC and a reasonable opportunity to act on it.
13. You shall be liable for such service charge / fees as the Credit Union may from time to time impose for returned items written against insufficient funds or on closed accounts and for other returned items deposited into your account.
14. The Credit Union has the right to terminate this Agreement or change its terms, conditions, requirements, charges or fees at any time upon sending written notice to you at your address shown on the Credit Union's records.
15. The Credit Union is authorized to deduct any account service charge or fee from any of your accounts without prior notice to you. Charges and fees will be deducted from this account to the extent funds are available. If sufficient funds are not available, then the funds available under any available Overdraft Protection Option and / or funds in your other accounts at the Credit Union shall be given preference.
16. All noncash share purchases or payments received in the account may be placed on hold in accordance with the Credit Union's policy on the delayed availability of funds.
17. The Credit Union has the right to assign this Agreement.
18. The Credit Union will credit the account with such dividends as the Credit Union may declare at the end of each dividend period.
19. You agree that your account may be debited on the business day an item is presented or at an earlier time based on notification received by us that an item drawn on your account has been deposited for collection at another financial institution. Our determination of your account balance for making a decision to dishonor an item for insufficient available funds may be made at any time between presentment or receipt of notice of pending presentment and the time of return of the item. We have no obligation to make more than one such determination.
20. Provided such request is timely so that we shall have reasonable opportunity to act upon it and you have described the item or account with reasonable certainty, you may order a stop payment of any check payable against your account. A written order will be valid for twelve (12) months and may be renewed for additional twelve (12) month periods; PROVIDED, HOWEVER, that we reserve the right to require any verbal order to be confirmed in writing and if we so require, the verbal order will be valid for fourteen (14) days unless you confirm the order in writing within that time period. You have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment order. A fee may be charged as provided in our Schedule of Fees.

(7)

21. This account is truncated which means you will not receive paid checks. You agree that when paid, checks become the property of the Credit Union and will not be returned with periodic statements. A printable image of a paid check is available through PartnersLink online banking or a photocopy of a paid check is available upon request for seven (7) years from the date the check was paid by the Credit Union. A fee in an amount established by the Credit Union may be charged for each copy the Credit Union requests and provides; no fee is charged for printable images obtained through PartnersLink.
22. A substitute check may be created during the check clearing process and is deemed to be the equivalent of an original check. We are mandated to accept them as legal copy of the original check.
23. Write or endorse your checks in black or a dark colored ink. Other colors may result in a blank, illegible, or generally unreadable substitute check or image of an original check. We may not accept the item for deposit or payment.
24. Any disputed substitute check (a "recredit" claim), may be reported verbally, in writing, via "Messaging", or a report sent by fax within the time limit established by Check 21. We reserve the right to require any verbal dispute to be confirmed in writing.
25. The Credit Union is authorized to recognize the signature of any one (1) person subscribed to the account card for the payment of funds or the transaction of any business for this account including, without limitation, the endorsement of checks payable to any signer and the causing or making of overdrafts for which all of you will be liable. For the purpose of this Agreement, use of a Personal Identification Number ("PIN") or other access device shall have the same effect as your signature.
26. If this account has more than one joint owner the owners of this account agree with each other and with the Credit Union that all sums now paid in on shares or heretofore or hereafter paid in on shares by any or all of said joint owners to their credit as such joint owners together with accumulations thereon are and shall be owned by them jointly with the right of survivorship and shall be subject to the withdrawal or receipt by any of them and payment to any of them or to the survivor or survivors shall be a valid discharge of the Credit Union from any liability for such payment.
27. The Credit Union will charge the account for check printing costs at the time the charge is received from the printer. If there are insufficient funds in the account, the Credit Union may charge any other account held by any of the named account owners of this account.
28. The Credit Union reserves the right to close the account should there be 3 or more incidents of insufficient funds in any six (6) month period.
29. The Credit Union may apply your signature to any item which is received for deposit without a signature.
30. The Credit Union shall not be responsible for any losses caused by delays resulting from any endorsement error.
31. You waive protest and notice of dishonor or non payment of any item.
32. The Credit Union reserves the right to reject any item presented or represented for payment for any reason, in its sole and absolute discretion.
33. Your death, dissolution or incompetence shall not revoke our authority to accept, pay or collect checks or to account for proceeds of their collection until we know of the fact of your death, dissolution or incompetence and have had a reasonable opportunity to act on it. Even with knowledge, we may, for ten (10) days after the date of death, dissolution or incompetence, pay or guarantee checks drawn on or prior to the date unless ordered in writing to stop payment by a person claiming an interest in the account. We must be notified if any of you die, become incompetent or your organization is dissolved.
34. You authorize us to release information regarding the status and history of your account to others such as credit bureaus, merchants and other financial institutions.
35. A Partners Jamz Checking account with an ATM card to those 16 years or older is available.

#### SHARE CERTIFICATE ACCOUNTS

Partners Federal Credit Union's share certificate accounts let you deposit your money for a specified period of time. Our share certificate accounts are: Certificate, Flex Certificate, Bump Certificate, College Saver Certificate and the Starter Certificate. An IRA Certificate is available on selected certificate accounts. A regular, mini-jumbo and jumbo option is available.

**REGULAR CERTIFICATE:** offer IRA, mini-jumbo and jumbo options (and in-combination: IRA Mini-Jumbo Certificate); required distribution withdrawals available for regular IRA Certificates.

**TRANSACTION LIMITATIONS:** There are certain transaction limitations associated with your share certificate account.

You may not make deposits or withdrawals from your share certificate account before the maturity date. Accrued dividends may be withdrawn at any time prior to maturity without penalty. No withdrawals of principal are permitted prior to maturity.

Certain federal and state penalties may apply if IRA funds (including dividends earned on IRA funds) are withdrawn early and the maximum yearly contribution you may make to an IRA account is limited under the Internal Revenue Code. See your IRA account application and agreement for details.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your share certificate account has certain minimum deposit and minimum balance requirements. The minimum deposit required for you to open your share certificate account and the minimum daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet. You must maintain the minimum daily balance shown on the Rate Sheet in your share certificate account to avoid closure.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends compound daily and are credited monthly and at maturity. At your option, dividends may compound monthly on your certificate account. For certificates of one (1) year or less, you have the option of having dividends credited monthly and at maturity or at maturity only. If you choose not to have dividends compound, we will, at your option, either mail your dividends monthly or credit dividends to your Primary Savings account or Checking Account, as you may elect.

The dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your certificate account before dividends are credited, you will not receive accrued dividends.

**FLEX CERTIFICATE:** single term certificate with one penalty free withdrawal after twelve (12) months; additional deposits of at least \$100 available before maturity; not offered as an IRA, mini-jumbo or jumbo certificate.

**TRANSACTION LIMITATIONS:** There are certain transaction limitations associated with your share certificate account.

You may make deposits to your share certificate account before the maturity date as indicated above. Accrued dividends may be withdrawn at any time prior to maturity without penalty. Unless as indicated above, no withdrawals of principal are permitted prior to maturity.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your share certificate account has certain minimum deposit and minimum balance requirements. The minimum deposit required for you to open your share certificate account and the minimum daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet. You must maintain the minimum daily balance shown on the Rate Sheet in your share certificate account to avoid closure.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends compound daily and are credited monthly and at maturity. At your option, dividends may compound monthly on your certificate account. If you choose not to have dividends compound, we will, at your option, either mail your dividends monthly or credit dividends to your Primary Savings account or Checking Account, as you may elect.

The dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your certificate account before dividends are credited, you will not receive accrued dividends.

**BUMP CERTIFICATE:** bump the rate once during the life of the certificate and the term length resets to the original term; mini-jumbo and jumbo options applicable, not offered as an IRA certificate.

**TRANSACTION LIMITATIONS:** There are certain transaction limitations associated with your share certificate account.

You may not make deposits or withdrawals from your share certificate account before the maturity date. Accrued dividends may be withdrawn at any time prior to maturity without penalty. No withdrawals of principal are permitted prior to maturity.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your share certificate account has certain minimum deposit and minimum balance requirements. The minimum deposit required for you to open your share certificate account and the minimum daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet. You must maintain the minimum daily balance shown on the Rate Sheet in your share certificate account to avoid closure.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends compound daily and are credited monthly and at maturity. At your option, dividends may compound monthly on your certificate account. For certificates of one (1) year or less, you have the option of having dividends credited monthly and at maturity or at maturity only. If you choose not to have dividends compound, we will, at your option, either mail your dividends monthly or credit dividends to your Primary Savings account or Checking Account, as you may elect.

The dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your certificate account before dividends are credited, you will not receive accrued dividends.

**COLLEGE SAVER CERTIFICATE:** available to youth accounts (Little Partners and Partners Jamz); unlimited deposits of \$25 or greater; no penalty for early withdrawal after your 17th birthday; IRA, mini-jumbo and jumbo rates options not offered.

**TRANSACTION LIMITATIONS:** There are certain transaction limitations associated with your share certificate account.

You may make deposits to your share certificate as indicated above. You may not make

withdrawals from your share certificate account before the maturity date except as indicated above. Accrued dividends may be withdrawn at any time prior to maturity without penalty. No withdrawals of principal are permitted prior to maturity.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your share certificate account has certain minimum deposit and minimum balance requirements. The minimum deposit required for you to open your share certificate account and the minimum daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet. You must maintain the minimum daily balance shown on the Rate Sheet in your share certificate account to avoid closure.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends compound daily and are credited monthly and at maturity. At your option, dividends may compound monthly on your certificate account. If you choose not to have dividends compound, we will, at your option, either mail your dividends monthly or credit dividends to your Primary Savings account or Checking Account, as you may elect.

The dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your certificate account before dividends are credited, you will not receive accrued dividends.

**STARTER CERTIFICATE:** deposits of \$25 or more up to a maximum of \$2,500 available before maturity date; opening required balance lower than other certificate options as shown on the enclosed Rate Sheet. Not offered as a mini-jumbo, jumbo or IRA certificate.

**TRANSACTION LIMITATIONS:** There are certain transaction limitations associated with your share certificate account.

You may make deposits as indicated above to your share certificate. You may not make withdrawals from your share certificate account before the maturity date except where indicated below. Accrued dividends may be withdrawn at any time prior to maturity without penalty. No withdrawals of principal are permitted prior to maturity.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your share certificate account has certain minimum deposit and minimum balance requirements. The minimum deposit required for you to open your share certificate account and the minimum daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet. You must maintain the minimum daily balance shown on the Rate Sheet in your share certificate account to avoid closure.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends compound daily and are credited monthly and at maturity. At your option, dividends may compound monthly on your certificate account. For certificates of one (1) year or less, you have the option of having dividends credited monthly and at maturity or at maturity only. If you choose not to have dividends compound, we will, at your option, either mail your dividends monthly or credit dividends to your Primary Savings account or Checking Account, as you may elect.

The dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your certificate account before dividends are credited, you will not receive accrued dividends.

#### **INFORMATION ABOUT ALL SHARE CERTIFICATE ACCOUNTS**

**RATE INFORMATION:** The initial dividend rate and annual percentage yield ("APY") on your share certificate account is stated on the Rate Sheet accompanying this Disclosure.

The APY for your share certificate account is based on an assumption that dividends will remain on deposit until maturity. If you make a withdrawal from your share certificate account, your earnings will be reduced. Your share certificate account has a fixed rate and you will be paid this rate and APY until maturity (exception is the Bump Certificate).

**BALANCE INFORMATION:** We compute the balance on all share certificate accounts to determine the dividends you will be paid by using the daily balance method which applies a daily periodic rate to the balance in your account each day.

**MATURITY:** Your share certificate account will mature on the date shown on your certificate.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your share certificate account has certain minimum deposit and minimum balance requirements. The minimum deposit required for you to open your share certificate account and the minimum daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet. You must maintain the minimum daily balance shown on the Rate Sheet in your share certificate account to avoid closure.

**RENEWAL OF ACCOUNT/GRACE PERIOD:** We will send you notice at least thirteen (13) days prior to the maturity date. Your account will automatically renew at maturity for the same time period as the original term unless you prevent renewal by sending us written instructions stating otherwise or by withdrawing all of the funds in your account at maturity or within a grace period

of 7 days after maturity. If your account automatically renews and you withdraw principal after the grace period has expired, you will be charged the early withdrawal fee under the section that follows, "Early Withdrawal Penalty".

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends compound daily and are credited monthly and at maturity. At your option, dividends may compound monthly on your certificate account. For certificates of one (1) year or less, you have the option of having dividends credited monthly and at maturity or at maturity only. If you choose not to have dividends compound, we will, at your option, either mail your dividends monthly or credit dividends to your Primary Savings account or Checking Account, as you may elect.

The dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your certificate account before dividends are credited, you will not receive accrued dividends.

**TRANSACTION LIMITATIONS:** There are certain transaction limitations associated with your share certificate account.

You may not make deposits or withdrawals from your share certificate account before the maturity date except where indicated. Accrued dividends may be withdrawn at any time prior to maturity without penalty. Unless otherwise indicated, no withdrawals of principal are permitted prior to maturity.

Certain federal and state penalties may apply if IRA funds (including dividends earned on IRA funds) are withdrawn early and the maximum yearly contribution you may make to an IRA account is limited under the Internal Revenue Code. See your IRA account application and agreement for details.

**EARLY WITHDRAWAL PENALTY:** We may impose a penalty if you withdraw principal from your share certificate account at any time prior to maturity.

If the maturity date on your share certificate account is 12 months or less, the penalty will equal the loss of 90 days of dividends.

If the maturity date on your share certificate account is more than 12 months, the penalty will equal the loss of 180 days of dividends.

If any funds are withdrawn within 6 days of the issue date of your share certificate account, a penalty equal to the loss of 7 days dividends will be charged. This will reduce principal.

Early withdrawal penalties shall not apply for 1) accounts which are part of a pension plan which qualifies or qualified for specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect a lawful distribution of the funds evidenced by such account following the participant's death or disability or upon attaining 70-1/2 years of age; or 2) in the event of death of the holder of the certificate or is made pursuant to law (a court order, for example); or 3) such withdrawal is made as a result of a voluntary or involuntary liquidation of this Credit Union.

#### **ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO SHARE CERTIFICATE ACCOUNTS**

Share Certificate accounts shall be governed by the following terms and conditions and are also subject to the special terms and conditions as may be described on the share certificate issued to you.

**TERM OF CERTIFICATE:** Share Certificates may be purchased for terms varying from 3 months up to 60 months. If we fail to pay a dividend on your account within 10 days after the date established for your account, you may withdraw the balance without penalty.

**OWNERSHIP OF CERTIFICATE ACCOUNT:** Share Certificate accounts may be held in joint ownership. However, upon maturity of the share certificate account, unless we have otherwise agreed to an alternative disposition as selected by you on the certificate, the entire balance and any accrued unpaid dividends will be credited only to the first surviving named account owner's Primary Savings account as designated on the certificate. If any individual or all joint owners, as applicable, should die before the maturity date of the share certificate, then, unless otherwise designated on the share certificate, the proceeds of the share certificate account shall be immediately available to the surviving joint owner, or on the death of the last surviving joint owner, to the surviving named Pay-on-Death payee(s), if any. See the separate "Share Certificate Account Agreement" when a certificate is issued for terms and conditions, applicable to the share certificate account.

#### **TERMS AND CONDITIONS APPLICABLE TO ALL TRUST ACCOUNTS (TOTTEN AND LIVING TRUST)**

1. TOTTEN TRUSTS:
  - A. The trustee(s) declare that the account is and that any and all sums credited to such account are and shall be, held by the trustee(s) and if there is more than one trustee, as joint tenants equally regardless of net contributions with right of survivorship and in trust for the Beneficiary(ies) named on the membership application and signature card or share certificate, reserving to the trustee(s) the right (1) to have dividends declared

on share account(s) paid to them, and; (2) to revoke such trust in whole or in part, at any time or times by executing and delivering to us a request for withdrawal or pledge of shares of the whole or part of such share account, and such trust shall be revoked as to the whole or part to which such request relates.

- B. In the event of the death or, if the account is held by more than one trustee(s), the death of the last surviving trustee, we will pay such share account amount to the Beneficiary if then living (if more than one Beneficiary is designated then equally to those Beneficiaries living at the date of the death of the trustee or the death of the last surviving trustee), but if there is no surviving Beneficiary, we shall pay such share account amount to the estate of the trustee or to the estate of the surviving trustee. There is no right of survivorship between Beneficiaries.
- C. A right of survivorship or a beneficiary designated in a trust account cannot be changed by Will.

#### 2. LIVING TRUSTS:

We will also permit you to open and maintain a Living Trust account. The account will be administered as any other share or other Credit Union account, as applicable, except that upon the death of all Trusters we will only pay the sums on deposit to a duly authorized successor Trustee. Living Trusts are further governed by our separate agreement with you when you establish a trust account.

#### TERMS AND CONDITIONS APPLICABLE TO ALL CUSTODIAL ACCOUNTS

1. If the transferor/custodian is opening an account as custodian for a minor named on the membership application and signature card or share certificate under the Uniform Transfers to Minors Act as applied in California or Florida, the transfer of money to the minor named on the membership application and signature card or share certificate, shall be deemed to include all dividends and any future additions thereto. The transfer is irrevocable and is made in accordance with and to include all provisions of said act, now in effect or hereafter amended.
2. You acknowledge that by signing the membership application and signature card or share certificate, you have received the funds deposited to the account as custodian for the minor named herein under the Uniform Transfers to Minors Act as applied in California or Florida.
3. The successor custodian named in the membership application and signature card or share certificate shall serve if you should be unable to act as custodian because you resign, die, or become legally incapacitated.
4. Uniform Transfer to Minors Accounts are further governed by our separate agreement with you when you establish a custodial account.

**ACCOUNT LIMITATIONS:** The account custodian is the only party on the account authorized to transact, withdraw funds or close the account. The credit union is the depository for the funds and has no responsibility to ensure the funds are disbursed to the minor upon attaining the age of majority (age 18).

#### TERMS AND CONDITIONS APPLICABLE TO ALL FIDUCIARY ACCOUNTS

1. If you open and maintain any fiduciary account you are representing to us that you are duly appointed and acting in the capacity of Executor / Executrix, Administrator / Administratrix, Guardian or Conservator and that by the authority vested in you, whether you are acting individually or jointly, you are authorized and empowered to transact business of any character.
2. You may pledge any or all shares on deposit in the account as collateral security to any loan(s) subject to then current loan policies, except that:
  - A. If a Checking Account is opened with us, you agree that the account shall be governed by the terms of this account agreement as well as the terms of the Checking Agreement.
  - B. If the account is blocked, you understand that you shall file with the Court a written receipt including the agreement with the Credit Union that the money in the account, including any earnings thereon, shall not be withdrawn or pledged except upon court order.

#### TERMS AND CONDITIONS APPLICABLE TO ALL SOLE PROPRIETORSHIP ACCOUNTS

1. If you open and maintain any sole proprietorship account you affirm that you are the sole proprietor of the sole proprietorship named on the membership application and signature card or share certificate. We may accept and / or endorse checks made payable to you or the sole proprietorship named on the membership application and signature card or share certificate which we receive for deposit.
2. You understand that you are pledging any or all of the shares on deposit in the account as collateral security for any loan or loans subject to then current loan policies.
3. If a Checking Account is opened with us, you agree that the account shall be governed by the terms of this account agreement as well as the terms of the Checking Account Agreement.
4. California Sole Proprietorship Accounts are further governed by our separate agreement with you when you establish a business account. This account is not offered in Florida.

#### TERMS AND CONDITIONS APPLICABLE TO ALL PARTNERSHIP ACCOUNTS

1. If you open and maintain any partnership account you certify that the person named on the membership application and signature card or share certificate is duly authorized to make certification, certify that at a regularly held meeting the person(s) named are duly acting partners of said partnership, and that by virtue of the authority vested in you by the article,

bylaws or otherwise, any one (1) of the signatures, as named on the membership application and signature card or share certificate, is authorized and empowered to transact business or any character whatsoever in connection with the account. You certify that the signature(s) appearing on the membership application and signature card or share certificate are the genuine signature(s) of said authorized person(s) and you agree to provide such proof of your authority as we may request, and that your authority shall continue in force until written notice to the contrary is received by us.

2. You understand that you are pledging any or all of the shares on deposit in the account as collateral security for any loan or loans subject to then current loan policies.
3. If a Checking Account is opened with us, you agree that the account shall be governed by the terms of this account agreement as well as the terms of the Checking Account Agreements.
4. California Partnership Accounts are further governed by our separate agreement with you when you establish a business account. This account is not offered in Florida.

**FOREIGN TRANSACTIONS:** Transactions in foreign currencies will be converted into U.S. dollar equivalent as of the date the transaction is processed. The currency conversion rate may differ from the rate in effect when the transaction occurred or when it posts to your Partners Checking Account. International transaction fees may be charged as stated in the attached Schedule of Fees.

#### SUBSTITUTE CHECKS AND YOUR RIGHTS

##### WHAT IS A SUBSTITUTE CHECK?

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

##### WHAT ARE MY RIGHTS REGARDING SUBSTITUTE CHECKS?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

##### HOW DO I MAKE A CLAIM FOR A REFUND?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 800.948.6677, send a message through Messages option on PartnersLink or write us at P.O. Box 25020, Anaheim, CA 92825-5020. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include –

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check [and/or] the following information to help us identify the substitute check: ( identifying information, for example the check number, the name of the person to whom you wrote the check, the amount of the check ).