



# PROSPECTORS FEDERAL CREDIT UNION

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## TRUTH-IN-SAVINGS DISCLOSURE AND AGREEMENTS

*PLEASE KEEP  
FOR YOUR RECORDS*

*THIS DISCLOSURE SUPERSEDES  
ANY DISCLOSURE RECEIVED  
PRIOR TO THE EFFECTIVE  
DATE SHOWN BELOW*

Effective August 15, 2016

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In the following agreement(s), the words “You”, “Your”, “Yours”, and “Account Holder” mean each and all of those (whether one or more persons) who are subject to the agreement(s) as a result of signing an Account signature card for each respective Account. The words “We”, “Us”, “Our”, and “PFCU”, mean PROSPECTORS FEDERAL CREDIT UNION. The term savings account shall refer collectively to Regular Shares, Money Market, Hi-Yield Money Market, Share Draft, Christmas Club, IRA Share, Share Certificate and IRA Share Term Certificates Accounts.

This disclosure is presented for your information and is accurate as of the date shown on the cover. Furthermore, All accounts shall be subject to service charges in accordance with fee schedules adopted by the Credit Union as amended from time to time, the CREDIT UNION’s Schedule of Fees and Charges and Rate Sheet are incorporated herein by reference. We have the right to change its terms and conditions or amend this disclosure from time to time. However, before any fee or charge is increased or added, or terms and conditions amended, you will receive 30 days advance notice at your address of record. You may always obtain more information by calling our Member Services Department at (909) 396-9688.

### TRUTH-IN-SAVINGS DISCLOSURE DEFINITIONS

**ACCOUNT AGREEMENT** means any Savings, Checking, Share Certificate, Fiduciary Trust, Totten Trust or Custodial account (under the “Uniform Transfers to Minors Act”) account.

### MEMBERSHIP AND ACCOUNT APPLICATION

The terms, conditions and information contained in the all other agreements with the Credit Union, and all amendments thereto, are by this reference hereby incorporated in their entirety into this agreement and become an integral part of the General Terms and Conditions of the Credit Union Accounts.

### ACCOUNT OWNERSHIP

The ownership of Fiduciary Trust, Totten Trust and Custodial (UTMA) accounts shall be governed by the applicable Account Agreement. Unless otherwise specified in the Account Agreement, the parties who sign an Account Agreement agree with each other and with the Credit Union that all funds in the accounts shall be owned as follows:

#### Individual Accounts:

The account or certificate is owned by the party named on the Account Agreement (“Account Holder”).

Upon the death of the party, ownership passes to the named pay-on-death payee(s), designated as the beneficiary(ies) on the Account Agreement.

### CUSTODIAL ACCOUNTS

This Custodial Account is established as a result of the transfer of the funds deposited in the Custodial Account for the benefit of the minor named as beneficiary on the Membership Application and Account Agreement. This transfer is irrevocable and includes all earnings on this Account. Neither the donor of the funds nor the custodian is entitled to the use or benefit of the funds, except for the benefit of the minor as allowed by California Uniform Transfers to Minors Act. The Credit Union is authorized to act without further inquiry in accordance with writings bearing the signature of the custodian. The terms of the California Uniform Transfers to Minors Act, as amended, are hereby incorporated herein by this reference.

### FIDUCIARY ACCOUNTS

In order to open your fiduciary account, you shall present to the Credit Union the court order appointing you as executor/executrix, administrator/administratrix, guardian or conservator. Immediately upon receipt or as otherwise required by the court, you shall present to the Credit Union any court order modifying your appointment or your powers to transact business on this account.

In your capacity as executor/executrix, administrator/administratrix, guardian or conservator, you certify to the Credit Union that:

1. You have been appointed to act in the capacity of executor/executrix, administrator/administratrix, guardian or conservator.
2. You are authorized and empowered to transact any and all business on this account. Your authority shall continue in force until written notice to the contrary is received by the Credit Union.

### LIVING TRUST

You understand and agree that this Living Trust account will be governed by the terms and conditions of this Agreement. For a Revocable Living Trust at least one trustor of the Trust must be a Member of the Credit Union, and for an



Irrevocable Living Trust either all of the trustors or all of the Beneficiaries of the Trust must be Members of the Credit Union. Regarding any transaction on this account, the Credit Union may ask the trustee to provide a certification of trust. The Credit Union may request a copy of the full trust agreement and/or death certificate and/or court order if appropriate within the discretion of the Credit Union.

The trustee agrees to notify the Credit Union of any changes in the terms of the Trust that would affect the trustee's authority to transact business on the Living Trust account or status of the Membership of the parties to the Trust.

### TOTTEN TRUST ACCOUNTS

All shares in this Totten Trust account and all dividends paid or credited thereon shall be held by the Trustee(s) in trust for the beneficiary(ies) named in the Membership Application and Account Agreement subject to the right of the Trustee(s) or any one of them from time to time and in their sole discretion to revoke the same to the extent of any withdrawal of funds from this account.

In the case of multiple trustees, each trustee shall be considered the joint tenant of the other. Upon the death of the Trustee, (or if more than one, upon the death of the last surviving Trustee), the balance remaining in this account shall be distributed to the beneficiaries in equal shares. If there are no surviving beneficiaries, the balance remaining in this account shall be distributed to the estate of the last surviving Trustee.

The Credit Union may require certain legal documents before releasing funds in the account. Upon the death of the trustee or the last surviving trustee, payment on a Totten Trust account will be made to the beneficiaries within a reasonable time. Until final payment is made, the Credit Union shall continue to operate the account according to the terms of this Agreement. The terms of this account may not be altered by will or other testamentary instrument.

**Order of Posting:** The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. You understand that the order in which items are processed can affect the total amount of fees assessed against your Savings or Checking account. Items are generally posted to your account each day in the following order: (i) ACH deposits (credits); (ii) ACH withdrawals (debits) are processed in the order in which they are received throughout the day; and (iii) check withdrawals (debits) are processed in the order in which they are received, although check withdrawals may be processed before ACH withdrawals at the discretion of the Credit Union. Throughout the day, ATM Card, Visa Debit Card, and in-person transactions are processed in the order received. Incorrect account information associated with a transaction may result in delayed processing and manual posting at a later time. Technical difficulties or other unforeseen events may impact our ability to process transactions from time to time. The Credit Union reserves the right to adjust the above processing times in its sole discretion.

**Balance and Available Balance:** It is also important that you understand the difference between your "balance" and your "available balance" in order to properly manage the money in your account and avoid overdraft and insufficient fund fees. Your balance includes all transactions that have posted to your account. This balance changes throughout the day as pending transactions post to your account. Your available balance is the amount you have in your account at a particular time that is available for immediate withdrawal. Your available balance is updated throughout the day to reflect holds, pending transactions and cleared deposits. The difference between your balance and your available balance is the result of pending activity that has not yet posted to the account (example, any "pending" deposits, checks, transfers and withdrawals or holds on your account). We will use the available balance in your account to determine if you have sufficient funds to cover your transactions. You can determine your available balance at the ATM, by phone or by accessing your account online or with mobile banking.

You understand that you may be overdrawn even when your balance is positive. You also understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you wish to make because your available balance will not reflect all your outstanding checks, automatic bill payments or recent deposits. In addition, your available balance will not reflect all of your debit card transactions. For example, if a merchant obtains your prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we are required to release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account. You must keep careful records and practice good account management to avoid making transactions without sufficient funds available for withdrawal. For additional details on the availability of your funds for withdrawal, see the section entitled "Funds Availability Policy and Your Ability to Withdraw Funds." If you have additional questions about your available balance or balance, please see a branch representative or call us at (909) 396-9688 or (800) 913-8637.

**NOTICE:** Notice to one Account Holder shall constitute notice to all persons authorized to have access to the account. Any notice sent to you by the Credit Union will be effective when mailed to your last known address as shown on the Credit Union records or, if you signed up for Online Banking, my e-mail address.

**Ability to pledge funds:** Any or all of the joint Account Holders may pledge all or any part of the funds as security for a loan or loans with the Credit Union only.

**ENFORCEMENT OF LIENS:** All funds in an account remain subject to any and all liens, including but not limited to statutory liens and/or consensual liens, security interests, rights of set off and charges, notwithstanding the source of the contribution.

**NOTIFICATION OF CHANGES:** The right or authority of the Credit Union under an Account Agreement shall not be changed or terminated by the Account Holder(s), except by written notice to the Credit Union, which written notice shall not affect transactions previously made. All parties to an Account Agreement shall keep the Credit Union informed of any change in their address(es).

### PLACING A HOLD ON YOUR ACCOUNT

Account Holder(s) understand(s) and agree(s) that the Credit Union may report known or suspected illegal or fraudulent activity including, but not limited to, the following:

- Financial abuse involving an elder or dependent adult;
- Where the ownership or collectibility of funds are subject to dispute; or
- Misuse or abuse of account services;

To appropriate law enforcement or government entities, as required or permitted by law. In addition, the Credit Union reserves the right to suspend, restrict or deny account services and activity, including the placement of an administrative hold (freeze) on account proceeds, or take such other actions as deemed necessary under the circumstances. Account Holder(s) agree(s) to indemnify and hold the Credit Union harmless from and against all claims, actions, damages, losses, and expenses, including attorneys' fees, as a result of any action or inaction taken in relation to the matters described here.

### NO WAIVER

If Credit Union delays in exercising or fails to exercise any of its rights under this agreement, that delay or failure shall not constitute a waiver of any Credit Union's rights or of any breach, default, or failure of condition under this agreement. No waiver by Credit Union of any of its rights or of any such breach, default, or failure of condition shall be effective, unless the waiver is expressly stated in a writing signed by Credit Union.

**RIGHT TO OFFSET:** Account Holder(s) agrees that the Credit Union has the right to offset against any account of any Account Holder to cover any amount owing to the Credit Union for any reason. Account Holder(s) understand that this means that the Credit Union has the right to impress and enforce a statutory lien against the Account Holder(s)'s share and dividends in the event of the failure of the Account Holder(s) to satisfy any financial obligation due and payable to the Credit Union. Account Holder(s) understand that the Credit Union may enforce this right without further notice except Individual Retirement Accounts (IRA), Social Security/SSI, and as otherwise prohibited by law.

**APPLICABLE LAW:** This Agreement shall be construed and governed in accordance with the laws of the State of California.

**Attorneys Fees and Costs:** You agree to pay the Credit Union all of our costs and reasonable attorneys' fees, including all collection costs, litigation costs, skip-tracing fees, and outside services fees incurred while we are enforcing our rights under this Agreement.

### GENERAL INFORMATION

**ACCRUAL OF DIVIDENDS:** Dividends begin to accrue on the business day you deposit noncash items (e.g., checks) or cash items to your Account if deposited before the close of business. If you close your Savings and Checking accounts before dividends are credited, you will not receive accrued dividends.

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

**DIVIDEND RATES:** The initial dividend rate and annual percentage yield on our Regular Shares, Money Market, Hi-Yield Money Market, Share Draft, Christmas Club, IRA Share, Share Certificate and IRA Share Term Certificates Accounts are stated on the Dividend and Certificate Rate Schedule accompanying this Disclosure, which are subject to change. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

**BALANCE INFORMATION:** We compute the balance in all Accounts, excluding Share Draft Checking Accounts, to determine the dividends you will be paid by using the daily balance method which applies a periodic rate to the daily balance in the account each day. Balance Computation Method. For Share Draft Checking Accounts dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

Dividends will begin to accrue on the business day you deposit noncash items (e.g., checks) to your account.

**MINIMUM BALANCE AND DEPOSIT REQUIREMENTS:** The minimum deposit required to open any Account is disclosed on the Dividend and Certificate Rate Schedule accompanying this disclosure. You must maintain the minimum balance in order to obtain the annual percentage yield stated on the Rate Schedule and to avoid closure.

**BYLAW REQUIREMENTS:** The maximum amount of shares which may be held by any one member shall be established from time to time by resolution of the board.

A member who fails to complete payment of one share within 6 months of his admission to membership, or within 6 months from the increase in the par value in shares, or a member who reduces his 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 6 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 the Credit Union may prescribe. The Credit Union reserves the right, at any time, to require members to give, in writing, not less than 7 days' and 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 the credit committee or a loan officer, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union. No member may withdraw any shareholdings below the amount of his/her primary or contingent liability to the Credit Union if he/she is delinquent as a borrower, or if borrowers for whom he/she is comaker, endorser, or guarantor are delinquent, without the written consent of the credit committee or loan officer.

**REQUIREMENT TO MAINTAIN A REGULAR SHARE ACCOUNT:** You must open a Regular Share Account to open any subsequent accounts. You must maintain the Regular Share Account to avoid closure of that account and any subsequent accounts.

**PAR VALUE/MINIMUM BALANCE AND DEPOSIT REQUIREMENTS:** The par value of "one Share" in the CREDIT UNION is \$25.00. Regardless of other account balances, you must maintain, at a minimum, this \$25 "one share" deposit in your Regular Share Account. A below minimum fee will be charged for Regular Share Accounts that fall below the minimum "one share" requirement, as stated on the schedule of fees.

### CHANGES IN TERMS AND CONDITIONS

The use of an account is subject to such other terms, conditions and requirements as the Credit Union may establish from time to time. The Credit Union has the right to change the terms and conditions of this Agreement at any time, in any manner, and for any reason. We may delete or modify existing terms. We may add new terms without regard to whether the matter is already addressed by this Agreement. We may offer new or different services at any time, and may convert an existing account or service into a new account or service. We will generally notify you in advance of changes by sending written notice to your address as it appears on our records. However, we may make changes without sending you advance notice, unless such notice is required by law. By continuing to use or keep your account open, you will be deemed to accept and agree to any such changes in terms.

**CREDIT REPORTS:** You authorize us to obtain credit reports as we deem necessary for purposes of determining future credit opportunities with you and you authorize any person, association or corporation to furnish, on our request, credit reports. You also authorize us to furnish information concerning your Account(s) with us to credit reporting agencies. We may report information about your account to credit reporting agencies. Late payments, missed payments, or other defaults on your account may be reflected in your credit report. If you believe the Credit Union is reporting inaccurate information to a credit reporting agency, please notify us at 1310 South Valley Vista Drive Diamond Bar, California 91765 so we can investigate.

**REGULATION "D" RESTRICTIONS:** During any month, you may not make more than six withdrawals or transfers from your Savings Account(s) to another Credit Union account of yours or to a third party by means of a preauthorized or automatic transfer or telephonic order or instruction (such as Home Banking, Online Bill Payment Service or Prospectors Audio Teller) or by check, draft, debit card, or similar order. If you exceed the transfer limitations set forth above in any calendar month, the excess transfer requests may be refused or reversed, a fee (such as Return Item Fee) may be imposed, and your Account will be subject to closure by us.

However, you may make an unlimited number of withdrawals from or transfers among your own Savings Account(s) by mail, messenger, or in person at the Credit Union or at an ATM. You may also make unlimited number of withdrawals from your Savings Account(s) through the Credit Union's Home Banking or Prospectors Audio Teller Banking System, or by telephoning a Credit Union Representative if you request a check payable to you.

### YOUR SHARE ACCOUNTS

Prospectors Federal Credit Union's Share Accounts let you deposit your money in a Savings Account and withdraw your money generally at any time. Our Share Accounts are called Regular Share, Christmas Club, and IRA Shares Accounts.

**RATE INFORMATION:** Our Christmas Club and IRA Share Accounts are designated variable rate accounts on the Dividend and Certificate Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion. The Regular Share Account is designated a variable rate Account on the Dividend and Certificate Rate Schedule. The Dividend Rate and Annual Percentage Yield (APY) on the Regular Share Account are tiered. A tier is a range of Account balances; different Rates and APYs may apply to different tiers. When the balance increases or decreases to a different tier, the Account balance will be subject to the Rate applicable to that tier for the time the balance is at the higher or lower level. This means if an Account balance goes below or above a certain tier level even for one day, the Account will be subject to that tier for one day. These rates are subject to change without notice. The Dividend and Certificate Rate Schedule will show current Rates, APYs and tiers.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends will be compounded monthly and will be credited monthly. For the Share Accounts the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of the dividend period. No dividends will be paid unless the account remains open on the

last day of the month in order to receive dividends. Dividends will be posted on the 1st day of the month following the dividend period last day of the month based on the intended dividend rate declared by the Board of Directors. The most recent dividend declaration date is reflected on the accompanying Dividend and Certificate Rate Schedule.

**TRANSACTION LIMITATIONS:** The Christmas Club is a 12-month Share Account designed to provide for holiday season expenses. This account may be opened at any time during the year. Each year in mid-October the entire balance of the account, including dividends, will be transferred to the Share Draft Account or Regular Share Account. A Credit Union check option is available upon your request. The account will be automatically reopened for your convenience. Any early withdrawals, prior to the mid-October date, will be subject to an early withdrawal fee as disclosed in the schedule of fees.

**INCORPORATION OF IRA AGREEMENT AND DISCLOSURES:** All other terms and disclosures for our Individual Retirement Accounts (IRA Share Account) are contained in the Credit Union's Individual Retirement Account agreement and disclosure statement, which by this reference is incorporated into this account disclosure in its entirety. When you open your Individual Retirement Account, the Credit Union agreement and disclosure statement will be provided to you.

#### **YOUR MONEY MARKET ACCOUNTS**

Prospectors Federal Credit Union offers a Money Market Account and a Hi-Yield Money Market Account which lets you earn money market rates while providing liquidity.

**RATE INFORMATION:** The Money Market Accounts are designated variable rate Accounts on the Dividend and Certificate Rate Schedule. The Dividend Rate and Annual Percentage Yield (APY) on these Accounts are tiered. A tier is a range of Account balances; different Rates and APYs may apply to different tiers. When the balance increases or decreases to a different tier, the Account balance will be subject to the Rate applicable to that tier for the time the balance is at the higher or lower level. This means if an Account balance goes below or above a certain tier level even for one day, the Account will be subject to that tier for one day. These rates are subject to change without notice. The Dividend and Certificate Rate Schedule will show current Rates, APYs and tiers.

**MINIMUM BALANCE:** You must maintain the minimum daily balance shown on the Dividend and Certificate Rate Schedule in your Account to obtain the disclosed Annual Percentage Yield (APY) for the applicable tier.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends are compounded monthly, and are credited monthly. For Money Market Accounts the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is January 31.

**TRANSACTION LIMITATIONS:** The maximum number of withdrawals you may make is 6 within a calendar month. If you exceed the transfer/withdrawal limitations in any month your account will be subject to the fee stated on the Schedule of Fees and Charges.

#### **YOUR SHARE DRAFT CHECKING ACCOUNT**

Prospectors Federal Credit Union offers a Share Draft Account (Checking Account) which lets you withdraw your money and write checks against your Account at any time.

1. You authorize us to establish a Share Draft Account. We are hereby authorized to recognize any of the signatures subscribed to the Signature Card for the payment of funds or the transaction of any business for this Account.
2. We are authorized to pay checks signed by you and the payments will be charged against your Account.
3. Share Draft Over Draft is an optional service to your Share Draft Checking Accounts. It is the amount an account is overdrawn as a result of an insufficient fund item. A non-sufficient funds (over draft/negative balance) may result from: (A) Checks, electronic funds transfers, other transactions or other withdrawal requests you initiate using your checking account number. (B) Payments or ACH deductions authorized by you on a recurring basis, (such as a mortgage payment); (C) Charging your account for our applicable service charge and fees; (D) The deposit of items to your account which, according to our Funds Availability Policy, are treated as not yet "available" or "finally paid". The Credit Union is under no obligation to pay a share draft which exceeds the balance in this account; the Credit Union may, however, pay such a share draft and recover or obtain a refund of the amount of the resulting overdraft plus service charge from any of the owners of this account, each of whom expressly agrees that he or she is jointly and severally liable for any and all overdrafts of this account created by an owner.
4. **FOR SHARE DRAFT ACCOUNTS WITH SHARE OVERDRAFT PROTECTION:** If any of the owners writes a Share Draft that would result in this Share Draft Account being overdrawn the Credit Union is authorized to charge the designated Share Account(s), regardless which party signed the item, in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor the Share Draft and to credit such charge to this account. No Share Draft Overdraft may be paid by charging a Share Account if as a result of such charge, that Share Account would be subject, in any one month, to more than six pre-authorized, automatic or telephonic transfers with no more be counted among the six monthly transfers; there are no limits on the number of withdrawals if initiated in person, and no limit on the number of withdrawals paid directly to the member when initiated by mail, telephone or messenger.
5. **FOR SHARE DRAFT ACCOUNTS WITH LOAN OVERDRAFT PROTECTION:** If any of the owners writes a Share Draft which would result in this account being overdrawn, and if at that time any of the owners is eligible to receive loan advances from this Credit Union, the Credit Union is authorized, but not required to make an advance from the owners' loan account, and to credit the advance to this account in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor such Share Draft.
6. **Courtesy Pay:** Courtesy Pay is available to qualified member accounts that wish to Opt-In for the privilege of having the Credit Union pay on ATM and non-recurring, everyday debit transactions. Qualified Members must fill out the "Optional Courtesy Pay Service Protection" form, to obtain this service. This program is a non-contractual discretionary program offered by PFCU that provides coverage when Members inadvertently overdraw their Share Draft account up to specified limits set by the Board of Directors, based on the Members active ACH payroll.

The Courtesy Pay protection is subject to the other terms and conditions for such accounts as set forth in the account agreements and other applicable disclosures. Courtesy Pay is not a line of credit. If you inadvertently overdraw your account, we will have the discretion to pay the overdraft subject to the limit of your Courtesy Pay and the amount of the Courtesy Pay fee. The Credit Union is not obligated to pay any item presented for payment if your account does not contain sufficient funds available. Any discretionary payment by the Credit Union of any overdraft check or item does not obligate the Credit Union to pay any other overdraft check or item or to provide prior notice of its decision to refuse to pay such check or item in the future. For instance we may not pay an overdraft if your account is not in good standing, or you are not making regular deposits by ACH or you have too many overdrafts, or your you have exceeded the overdraft threshold for your account as established by the Board of Directors.

7. Our authority under this agreement may not be changed or terminated by you, except by written notice to us which will not affect any prior transaction.
8. Only PROSPECTORS FEDERAL CREDIT UNION checks, or other methods approved by us, may be used to withdraw funds from the Account.
9. Except for negligence, we are not liable for any action we take regarding the payment or non-payment of a check.
10. Any objection regarding any item shown on a monthly statement of the Account shall be waived unless made in writing to us on or before the 20th day following the day the statement was mailed, except where the Uniform Commercial Code ("UCC") provides otherwise.
11. We are under no obligation to pay a check on which the date is more than six months old unless you give us notice otherwise as required under the UCC. 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.



12. You shall be liable for such service charge/fees as we may impose for returned items written against insufficient funds, closed Accounts, returned items deposited into the Account, and for other services in accordance with our Schedule of Fees and Charges.
13. We are authorized to deduct any Account service charge/fee from your Share Draft Account or any of your Share Accounts without prior notice to you. If sufficient funds are not available in your Share Accounts, then funds available under the Overdraft Protection Option may be used to pay service charges or fees.
14. All non-cash share deposits or payments received in the Account may be placed on hold in accordance with our policy of Delayed Availability of Deposited Funds. Non-cash payments deposited into an account may be credited subject to final payment.
15. Provided such request is timely so that we shall have a reasonable opportunity to act upon it, you may order stop payment of any check payable against your account. If the order is verbal it shall be valid only seven (7) days thereafter unless confirmed in writing.  
Written orders shall be valid for six (6) months and may be renewed for additional six (6) month periods. You have the burden of establishing the fact and the amount of the loss resulting from any stop payment contrary to a binding stop payment. A fee may be charged as provided in our Schedule of Fees and Charges.
16. Your death, dissolution or incompetence shall not revoke our authority to accept, pay or collect checks or to account for proceeds of its collection until we know of the fact your death, dissolution or adjudication of incompetence and have a reasonable opportunity to act on it. Even with knowledge, we may, for ten (10) days after the date of death, 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.
17. A photocopy of a paid check is available for seven (7) years from the date the check was paid by us. A fee may be charged as provided in our Schedule of Fees and Charges.
18. 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.
19. We will charge the Account for check printing costs at the time the charge is received from the printer. If there are not sufficient funds in the Account, we may charge any other share Account held by any of the named Account owners of this Account.
20. You agree and authorize us that when paid, checks become the property of the Credit Union and will not be returned with the periodic statement of this Account or otherwise.
21. Please refer to our Schedule of Fees and Charges as they apply to your Share Draft Account.
22. **RATE INFORMATION:** Our Share Draft Account is designated a variable rate account on the Dividend and Certificate Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion.
23. **DIVIDEND COMPOUNDING AND CREDITING:** Dividends will be compounded monthly and will be credited monthly. For the Share Draft Account the dividend period is monthly.  
For example, the beginning date of the first dividend period is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. No dividends will be paid unless the account remains open on the last day of the month in order to receive dividends. Dividends will be posted on the last day of the month based on the intended dividend rate declared by the Board of Directors. The most recent dividend declaration date is reflected on the accompanying Dividend and Certificate Rate Schedule.
24. **TRANSACTION LIMITATIONS:** No transaction limitations apply to your Share Draft Account.
25. The Account Holder(s) acknowledges that checks are truncated and hereby waives any and all rights to receive the items without prejudice to any of the Credit Union's defenses available under the California Uniform Commercial Code (UCC).
26. Except for its own lack of good faith or failure to exercise ordinary care, the Credit Union is not liable for any action it takes regarding the payment or nonpayment of a share draft, even if nonpayment results in the forfeit of insurance, loss or damage of any kind.
27. The Credit Union may close a Checking account at any time. Closure of a Checking account will not affect the obligation to pay any outstanding balances or charges owed.

### **SHARE CERTIFICATE ACCOUNTS**

Prospectors Federal Credit Union's Share Certificate Accounts let you deposit your money for a specified period of time. Our Share Certificate Accounts are called Share Certificate and IRA Certificate Accounts.

**ANNUAL PERCENTAGE YIELD:** The annual percentage yield is based on an assumption that dividends will remain on deposit until maturity. If you make a withdrawal from your account, your earnings will be reduced.

**MATURITY:** Your account will mature as reflected on the Dividend and Certificate Rate Schedule. The maturity date will be stated on the certificate provided to you at the time of opening your account.

**RATE INFORMATION:** Our Certificate Accounts are designated a fixed rate account on the Dividend and Certificate Rate Schedule. You will be paid this rate and yield until maturity.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends will be calculated monthly and will be credited monthly. Dividends are compounded in your Share Certificate Account.

**ACCOUNT LIMITATIONS:** You may not make deposits into these accounts after opening. You may make withdrawals of Dividends from your Account at any time. See the enclosed Dividend and Certificate Rate Schedule for limitations on promotional certificates.

**RENEWAL OF ACCOUNT/GRACE PERIOD:** Your account will automatically renew at maturity for the same time period as the original term unless you withdraw all of the funds in your account at maturity or within a grace period of 10 days after maturity.

If you withdraw any of the principal after the grace period has expired the account will be assessed an Early Withdrawal Penalty.

**EARLY WITHDRAWAL PENALTY:** We may impose a penalty if you withdraw any of the principal from your account before the maturity date. The penalty imposed shall be as follows: the forfeit of dividends earned since the date of issuance or renewal, whichever is less.

**EXCEPTIONS TO PENALTIES:** The penalties stated above will not apply if:

1. The withdrawal is made subsequent to the death of any owner of the Share Account or the Share Certificate Account, or is made pursuant to the Credit Union's bylaws.
2. The Share Certificate Account is part of a pension plan which qualifies or is qualified to specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect distribution of the funds evidenced by such account following the participant's death or disability or upon attaining not less than 70 1/2 years of age, or
3. Such withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union issuing the account.

**INCORPORATION OF IRA AGREEMENT AND DISCLOSURES:** All other terms and disclosures for our Individual Retirement Accounts are contained in the Credit Union's Individual Retirement Account agreement and disclosure statement, which by this reference is incorporated into this account disclosure in its entirety. When you open your Individual Retirement Account, the Credit Union agreement and disclosure statement will be provided to you.

### TERMS AND CONDITIONS APPLICABLE TO ALL ACCOUNTS

1. You must be a member in good standing to maintain any Account.
2. All Accounts (except Share Draft Accounts) are not transferable except on the records of Prospectors Federal Credit Union (PFCU).
3. We may endorse checks for you which we receive for deposit.
4. All non-cash payments received for credit to any Account are credited subject to final payment. Your right to withdraw funds represented by certain checks or other items you deposit may be delayed for several days. You will be notified if your right to withdraw will be delayed. Please refer to the Credit Union's Disclosure of Delayed Availability of Deposited Funds for further details.
5. All Account statements will be delivered only to your physical address of record or e-mail address of record. You shall exercise reasonable care and promptness in reconciling your statement, but in all cases within the applicable time limits set forth in the Uniform Commercial Code or you are precluded from any objection against us. You shall immediately notify the Credit Union of any issues with any statement.
6. We may pay out funds or transact business pertaining to any Account with the signature of any one (1) of the Account owners or the signature of any designated agent. If we receive written notice from an owner that withdrawals in accordance with the terms of the Account should not be permitted, we may refuse, without liability, to pay any sums on deposit pending a determination of the rights of the owners. Further, if there is more than one owner and there is a conflict between owners, we may require the signatures of all owners.
7. You, as primary owner may terminate your Account at any time. You understand, however, that your authority to us may not be changed or terminated except by written notice to us which will not affect prior transactions. You understand that it is our policy that so long as you have an outstanding loan balance, you may not close out your Share Account with us.
8. You understand that Individual, Joint, Trust, and Pay-on-Death Accounts may be subject to the Multiple Party Accounts Law, Division 5 of the California Probate Code, as now in effect or hereafter amended.
9. We are not responsible for items lost while not in our possession.
10. California law states that inactive balances must be turned over to the State (escheated) after a period of 3 years if you have not:
  - A. Increased or decreased the amount of any of your account(s) with us or presented an appropriate record for crediting of dividends or cashed a dividend check from any of your accounts with us; or
  - B. Correspond in writing or electronically with us concerning any of your accounts with us; or
  - C. Otherwise indicated an interest in any of your accounts with us as evidenced by a memorandum on file with us.

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

11. The parties who sign an Account Application agree with each other and with the Credit Union that all funds in the account shall be owed as follows:

INDIVIDUAL ACCOUNTS: The account or certificate is owned by the party named on the Account Application. Upon the death of the party, ownership passes to the named pay-on-death payee(a), i.e. the beneficiary named on the Account Application.

JOINT ACCOUNTS: The account or certificate is owned by the parties named on the Account Application. 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), i.e. the beneficiary named on the Account Application. Each account holder(s) or owner(s) is jointly and severally liable for any and all overdrafts created by any owner.

#### SPECIAL RULES FOR JOINT ACCOUNTS

##### Withdrawals by and Liability of Joint Owners -

The Account Holders of an account agree with each other and with the Credit Union that all funds and all accumulations thereon are subject to the withdrawal or receipt by any of the Account Holders, and payment to any of them shall be valid and discharge the Credit Union from any and all liability for such payment. The Account Holders of an account expressly agree that each Account Holder is jointly and severally liable for any and all overdrafts, losses or charges to an account created by any Account Holder(s).

Deposits: The Credit Union may cash or deposit all checks payable to any signer when endorsed by any other signer.

Disputes: If there is a dispute about ownership or control of an account, the Credit Union may place a hold on the account and not release funds until the Credit Union receives either a court order or an instruction signed by all persons claiming an interest in the account.

12. Please refer to our Schedule of Fees and Charges as they apply to all Accounts. We shall debit such charges from any Account you own (except an IRA Account), if there are insufficient funds available, the charges are payable on demand, and for checking Accounts, will be treated as an overdraft.
13. Any payment made by us on your Account in good faith and in reliance on the terms and conditions of this Truth-in-Savings Disclosure and Agreement and signature card shall be valid and discharge us from liability.
14. The owner(s) of this account agree with each other and with the Credit Union that all funds and all accumulations thereon are subject to the withdrawal or receipt by any of the owners, and payment to any of them shall be valid and discharge the Credit Union from any liability for such payment.
15. We reserve the right to close any Account(s) discovered to be deliberately manipulated to the detriment of Prospectors Federal Credit Union and its membership. "Manipulation" includes, but is not limited to, kiting and repeated patterns of transactions which have no apparent business reason other than to take advantage of "float" to our detriment.
16. 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.
17. 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.
18. The Credit Union reserves the right to waive the enforcement of any of the provisions of this Agreement with you with respect to any transaction or series of transactions. Any such waiver will not affect the right of the Credit Union to enforce any of its rights with respect to later transactions with you and is not sufficient to modify the terms and conditions of this Agreement.
19. The owner(s) to whom the periodic statement of account is sent agree(s) to exercise reasonable care and promptness to examine the statement to discover any errors or discrepancies, and to promptly notify the Credit Union after discovery thereof.

20. Statutory Lien: If you are in default on a financial obligation to us, federal law gives us the right to apply the balance of shares and dividends in your account(s) (except IRA) at the time of default to satisfy that obligation. Once you are in default, we may exercise this right without further notice to you.

#### **TERMS AND CONDITIONS APPLICABLE TO ALL INDIVIDUAL AND JOINT ACCOUNTS**

1. If there is more than one owner, all agree with each other and with us that all sums now paid in on shares or hereafter paid in on shares by any one or all Account owner(s) including all dividends thereon, if any, are and shall be owned by all Account owner(s) jointly and equally regardless of their net contributions with a right of survivorship and regardless of their net contributions shall be subject to withdrawal or receipt by any of the Account owner(s) or the survivor(s) of any of the Account owner(s). Any such payment shall be valid and shall discharge the Credit Union from any liability.
2. We are not obligated to inquire as to the source of funds received for deposit to a joint Account or to inquire as to the proposed use of any sums withdrawn from the Account for the purpose of establishing net contributions.
3. No transfer of voting rights or other membership privileges is permitted by virtue of a transfer of shares.
4. You understand that you are pledging any and all of the shares on deposit in the Account (except IRAs) as collateral security for any loans subject to then current loan policies.  
Further, a pledge of shares by any one of you shall be binding on all of you.
5. You may receive a loan where a third party may be a joint owner of your account or you may be a joint owner of their account. In such circumstance, such joint owner may have access to information regarding your accounts with the Credit Union.

Given the foregoing, you agree as follows:

1. Should you apply for individual credit in your own name and rely on your own income or assets and not the income or assets of another person as the basis for repayment of the credit required, you understand that your loan will be accounted for on the books and records of the Credit Union in conjunction with an account which may have in addition to you: joint owner(s). You acknowledge, understand and agree, this means each and every joint owner shall have the ability and right to view and receive credit transaction history and other information concerning your loan, including the fact that the loan information will be indicated on any periodic statement provided.
2. Should you apply to add a(n) joint owner(s) to your account which has an existing loan(s) on which the new joint owner(s) are not a signer, you acknowledge, understand and agree, this means each and every joint owner shall have the ability and right to view and receive credit transaction history and other information concerning your loan, including the fact that the loan information will be indicated on any periodic statement provided.
3. Should you apply for a loan with another individual who will be added as a(n) joint owner(s) to your account which has an existing loan(s) on which the new joint owner(s) are not a signer, you acknowledge, understand and agree, this means each and every joint owner shall have the ability and right to view and receive credit transaction history and other information concerning your loan, including the fact that the loan information will be indicated on any periodic statement provided.
4. Should you apply for a Share Secured or a Share Certificate Secured loan(s) with another individual(s) who has a separate account and who will pledge your funds as security for the loan(s). You acknowledge that the pledged funds will be accounted for on the books and records of the Credit Union of the other account which there are other joint owner(s). You agree to make the other owner(s) on the account aware of the pledge you are placing against the funds. You acknowledge, understand and agree, this means each and every joint owner shall have the ability and right to know the amount of the loan pledged against the funds in the joint account.

In consideration of the Credit Union allowing a loan to be under your joint account, you hereby release the Credit Union and Credit Union's associated or affiliated companies, their directors, officers, agent, employees, customers, members, and Credit Union's officers, directors, agents and employees, from all claims, liabilities, duties and obligations regarding the confidentiality and privacy of the Information and/or delivery of the Information to other joint owners. In addition, you agree to indemnify, defend (by counsel of Credit Union's choosing) and hold Prospectors Federal Credit Union and Credit Union's associated or affiliated companies, their directors, officers, agents, employees, customers, and Credit Union's officers, directors, agents and employees, harmless from and against any and all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees and expenses, arising out of any claims made by due to the delivery of any information to joint owners on this account.

#### **TERMS AND CONDITIONS APPLICABLE TO PAY-ON-DEATH (P.O.D) DESIGNATIONS**

A pay on death account ("P.O.D. account") is an account payable on request to one or more Account Owner(s) during their lifetime and on the death of all Account Owners to one or more pay on death beneficiaries. The pay on death beneficiaries are the person or persons designated as such on the Membership Application and Account Agreement; you may modify the pay on death beneficiaries by completing a new Membership Application and Account Agreement or completing a new designation of beneficiary on the form provided by the Credit Union. The pay on death beneficiary has no rights to the funds in the account during the lifetime of any Account Owner. On death of the sole Account Owner or of the survivor of two or more Account Owners:

- a) Any funds remaining in the Account belong to the P.O.D. payee or payees if surviving, or to the survivor of them if one or more die before the death of the sole Account Owner or the last surviving Account Owner;
- b) If two or more P.O.D. payees survive, any funds remaining on deposit belong to them in equal and undivided shares unless the Membership Application and Account Agreement expressly provides for different shares; and
- c) If two or more P.O.D. payees survive, there is no right of survivorship in the event of death of a P.O.D. payee.

The Credit Union may require certain legal documents before releasing funds in the account. Upon the death of the sole Account Owner or the last surviving Account Owner, payment on a P.O.D. account will be made to the beneficiaries within a reasonable time. Until final payment is made, the Credit Union shall continue to operate the account according to the terms of this Agreement.

The terms of this account may not be altered by will or other testamentary instrument.

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

1. You affirm that you are the sole proprietor of the sole proprietorship named on the signature card or share certificate. We may accept and/or endorse checks made payable to you or the sole proprietorship named on the signature card which we receive for deposit. Funds received are subject to the Credit Union's policy on Delayed Availability of Deposited Funds.
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 Share Draft 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 Share Draft Account Agreement.

#### **TERMS AND CONDITIONS APPLICABLE TO ALL CORPORATE, PARTNERSHIP AND UNINCORPORATED ASSOCIATION**

1. The persons named on the signature card duly authorized to make certification, certify that at a regularly held meeting the person(s) named were elected or appointed officers of said corporation or organization or are duly acting partners of said partnership, and that by virtue of the authority vested in you by the

constitution, bylaws or otherwise, any one (1) of the signatures, as named on the signature card, is authorized and empowered to transact business of any character whatsoever in connection with the Account. You certify that the signature(s) appearing on the signature card are the genuine signature(s) of said authorized person(s); 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 Share Draft 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 Share Draft Account Agreement.

#### **DISCLOSURE OF DELAYED AVAILABILITY OF DEPOSITED FUNDS**

Our policy is to make funds from your cash and check deposits available to you not later than the first business day after we receive your deposit. Electronic direct deposits will be available on the effective date of the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit on a business day that we are open,

##### **Diamond Bar Office**

Monday, Tuesday, Friday 9:00 a.m. to 5:00 p.m.

Wednesday 10:00 a.m. to 5:00 p.m.

Thursday 9:00 a.m. to 6:00 p.m.

##### **West Covina Office**

Monday, Tuesday, Thursday, Friday 9:00 a.m. to 5:00 p.m.

Wednesday 10:30 a.m. to 5:00 p.m.

we will consider that day to be the day of your deposit. However, if you make a deposit on a nonbusiness day or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

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

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

If we are not going to make all the funds from your deposit available on the first business day after your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees (for example, at an ATM, or Night Drop), or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

**Deposits at Nonproprietary Automated Teller Machine (ATMs):** Funds from any deposits (cash or checks) made at nonproprietary ATMs we do not own or operate may not be available until the fifth business day after the day of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

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

- We believe the collectability of a check you deposited is doubtful.
- You deposit checks totaling more than \$5,000 on any one day.
- You re-deposit a check that has been returned unpaid.
- You have overdrawn your Account six or more times in a six month period.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

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

If you are a new member, the following special rules will apply during the first 30 days your Account is open. Funds from electronic direct deposits to your Account will be available on the effective date of the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's and federal, state, and local government checks will be available on the first business day of your deposit if the deposit meets certain conditions.

For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second 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.

#### **OTHER METHODS OF HOLDS ON FUNDS**

**Holds on Other Funds (Check Cashing):** If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your Account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

**Holds on Other Funds (Other Account):** If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability 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 check that you deposited.