

**SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SAN FRANCISCO**

**Document Scanning Lead Sheet**

Jan-05-2015 11:06 am

Case Number: CGC-15-543490

Filing Date: Jan-02-2015 10:53

Filed by:

Juke Box: 001 Image: 04742208

COMPLAINT

PATELCO CREDIT UNION, A STATE CHARTED CREDIT VS. JOYCELYN L  
LAMPKIN ET AL

001C04742208

**Instructions:**

Please place this sheet on top of the document to be scanned.

# SUMMONS (CITACION JUDICIAL)

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

## NOTICE TO DEFENDANT:

### (AVISO AL DEMANDADO):

JOYCELYN Y. LAMPKIN, an individual;  
and DOES I through XXX, inclusive,

## YOU ARE BEING SUED BY PLAINTIFF:

### (LO ESTÁ DEMANDANDO EL DEMANDANTE):

PATELCO CREDIT UNION, a State Chartered Credit Union,

**NOTICE!** You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. ¡AVISO! Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California, ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:

(El nombre y dirección de la corte es):

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SAN FRANCISCO, LIMITED CIVIL DIVISION  
400 McAllister Street, Rm. 103, San Francisco, CA 94102

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

THOMAS CAUDILL, ESQ. (SBN: 111412)  
1025 North Fourth Street, San Jose, CA 95112-4942

Fax No.: (408) 298-5148

Phone No.: (408) 298-4844

DATE:

(Fecha)

JAN 02 2015

CLERK OF THE COURT

Clerk, by

(Secretario)

, Deputy

(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

M.A. MORAN

(SEAL)



**NOTICE TO THE PERSON SERVED:** You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):
 

under: <input type="checkbox"/> CCP 416.10 (corporation)	<input type="checkbox"/> CCP 416.60 (minor)
<input type="checkbox"/> CCP 416.20 (defunct corporation)	<input type="checkbox"/> CCP 416.70 (conservatee)
<input type="checkbox"/> CCP 416.40 (association or partnership)	<input type="checkbox"/> CCP 416.90 (authorized person)
<input type="checkbox"/> other (specify):	
4. ☐ by personal delivery on (date):

1 THE LAW OFFICE OF THOMAS CAUDILL  
THOMAS CAUDILL (SBN: 111412)  
2 1025 NORTH FOURTH STREET  
SAN JOSE, CA 95112-4942  
3 TELEPHONE: (408) 298-4844  
FACSIMILE : (408) 298-5148  
4

5 ATTORNEY FOR: Plaintiff PATELCO CREDIT UNION  
6  
7

8 SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO  
9 LIMITED CIVIL DIVISION  
10

11 PATELCO CREDIT UNION, a State Chartered  
Credit Union,

12 Plaintiff,

13 vs.

14 JOYCELYN Y. LAMPKIN, an individual;  
15 and DOES I through XXX, inclusive,

16 Defendants.  
17

Case No.:

CGC - 15 - 543490

COMPLAINT FOR BREACH OF  
CONTRACT AND COMMON  
COUNTS.

Demand does not exceed \$10,000.00

"LIMITED CIVIL CASE"

18 **FIRST CAUSE OF ACTION**

19 [Breach of Contract]

20 1. Plaintiff PATELCO CREDIT UNION is, and at all times herein mentioned was, a State  
21 Chartered Credit Union organized and existing in the County of Alameda, State of California.

22 2. Plaintiff is informed and believes and thereon alleges that Defendant JOYCELYN Y.  
23 LAMPKIN is, and at all times herein mentioned was, an individual residing in the City of San  
24 Francisco, County of San Francisco, California. The contract giving rise to this action was entered  
25 into and performed in the County of San Francisco, State of California.

26 3. The following statement provides you with notice of certain rights which you have by law.  
27 Nothing in this statement relieves you of the need to take legal action to protect your rights in this  
28 matter.

**FILED**  
Superior Court of California  
County of San Francisco

JAN 02 2014

CLERK OF THE COURT  
Superior Court of California, County of San Francisco

DEPUTY CLERK

M.A. MORAN

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

**(f) If you notify Plaintiff Credit Union's attorney (Thomas Caudill) in writing within thirty days after receipt of this Notice that the debt, or any portion thereof, is disputed, or that you request the name and address of the original creditor, Plaintiff Credit Union's attorney shall cease collection of the debt, or any disputed portion thereof, until Plaintiff Credit Union's attorney obtains verification of the debt or the name and address of the original creditor, and a copy of such verification, or name and address of the original creditor, is mailed to you.**

Page 2

1           **(g) Your failure to dispute the validity of a debt pursuant to and under the**  
2           **NOTICE provision stated in this instant paragraph 3 may not be con-**  
3           **strued by any court as an admission of liability.**

4           4. The true names and capacities, whether individual, corporate, associate or otherwise, of  
5 Defendants sued herein as DOES I through XXX, inclusive, are unknown to Plaintiff who therefore  
6 sue said Defendants by such fictitious names. Plaintiff will seek leave of Court to amend this  
7 Complaint to show their true names and capacities when the same have been ascertained.

8           5. At all times herein mentioned, the Defendants, and each of them, were the agents and  
9 employees of each of their Co-Defendants and were acting, at all times, within the course and scope  
10 of said agency and employment.

11          6. The obligation hereinafter mentioned was incurred by Defendants, and each of them,  
12 within the jurisdictional boundaries of the above-entitled Court and this Court is the proper Court for  
13 the trial of this action.

14          7. On or about July 23, 2007, Plaintiff and Defendant entered into a written contract whereby  
15 Plaintiff agreed to loan money to Defendant and Defendant agreed to repay Plaintiff the sums set  
16 forth below plus interest charges as set forth in the contract. The terms of payment from Defendant  
17 to Plaintiff are more fully set forth in the VISA Agreement and Disclosure Statement, attached hereto  
18 and incorporated herein as Exhibit "A" (hereinafter "VISA Agreement"). The VISA Agreement  
19 attached hereto provides for payment of interest charges at the rate of 10.9% per annum and for  
20 payment of reasonable attorney's fees and costs for collection of delinquent sums.

21          8. Plaintiff has performed all covenants, conditions and promises on its part to be performed  
22 pursuant to said written agreement attached hereto as Exhibit "A".

23          9. On or about October 15, 2014, Defendant breached and defaulted in the monthly payments  
24 due under the VISA Agreement and despite demand from Plaintiff has refused and continues to  
25 refuse to make said payment.

26          10. Pursuant to the terms of the VISA Agreement, attached hereto as Exhibit "A", Plaintiff  
27 has declared the entire unpaid principal balance in the sum of \$5,115.33, due and payable forthwith.

28       ///

11. As a result of Defendant's breach of contract, Plaintiff has been damaged in the principal sum of \$5,115.33 plus interest at the contractual rate of 10.9% per annum on the unpaid balance from October 15, 2014, plus attorney's fees and costs.

**SECOND CAUSE OF ACTION**

[Common Count]

1. Plaintiff refers to and incorporates, as though fully set forth herein, Paragraphs 1 through 6, inclusive, of its First Cause of Action and makes said paragraphs a part hereof.

2. Within the last four years at San Francisco, California, Defendant became indebted to Plaintiff for money lent to Defendant for the agreed sum of \$5,115.33 which sum Defendant agreed to pay to Plaintiff.

3. Neither the whole nor any part of the above sum has been paid, although demand therefor has been made, and there is now due, owing and unpaid from Defendant to Plaintiff the sum of \$5,115.33, together with accumulated interest thereon at the maximum rate permitted by law from October 15, 2014, plus costs.

**THIRD CAUSE OF ACTION**

[Common Count]

1. Plaintiff refers to and incorporates, as though fully set forth herein, Paragraphs 1 through 6, inclusive, of its First Cause of Action and makes said paragraphs a part hereof.

2. Within the last four years at San Francisco, California, an account was stated in writing by and between Plaintiff and Defendant, wherein it was agreed that Defendant was indebted to Plaintiff in the sum of \$5,115.33.

3. Neither the whole nor any part of the above sum has been paid, although demand therefor has been made, and there is now due, owing and unpaid from Defendant to Plaintiff the sum of \$5,115.33, together with accumulated interest thereon calculated at the legal rate of ten percent [10%] per annum from October 15, 2014, plus costs.

WHEREFORE, Plaintiff prays for judgment from this Court as follows:

1. On the First Cause of Action for judgment against Defendant JOYCELYN Y. LAMPKIN, an individual, for:

- 1 a) The principal sum of \$5,115.33;  
2 b) Accumulated interest charges at the contractual rate of 10.9% per annum from  
3 October 15, 2014, until the date of entry of judgment herein;  
4 c) Attorney's fees incurred;  
5 d) Costs of suit incurred herein; and,  
6 e) Such other and further relief as the Court may deem just and proper.

7 2. On the Second and Third Causes of Action for judgment against Defendant JOYCELYN  
8 Y. LAMPKIN, an individual, for:

- 9 a) The principal sum of \$5,115.33;  
10 b) Accumulated interest charges at the legal rate of ten percent [10%] per annum from  
11 October 15, 2014, until the date of entry of judgment herein;  
12 c) Costs of suit incurred herein; and,  
13 d) Such other and further relief as the Court may deem just and proper.

14  
15 Dated: December 29, 2014

16 By:   
17 **THOMAS CAUDILL**, Attorney for Plaintiff  
18 **PATELCO CREDIT UNION**  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

EXHIBIT "A"





P.O. BOX 2227  
Merced, CA 95344-0227  
800.358.8228

VISA Gold  
JOYCELYN Y LAMPKIN

Statement Period  
10/16/2014 - 11/15/2014

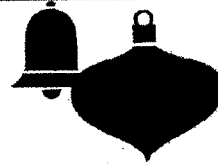
Account #  
-35

#### Account Summary

Credit Limit		\$0.00
Previous Balance		\$5,100.33
Payments	-	\$0.00
Purchases	+	\$0.00
Fees Charged	+	\$15.00
Cash Advances	+	\$0.00
Adjustments	+ / -	\$0.00
Interest Charged	+	\$45.75
Your New Balance	=	\$5,161.08
Your Available Credit		\$0.00
Statement Closing Date		11/15/2014
Days in Billing Cycle		31

#### Rate Details

Type of Balance	Avg. Daily Balance	Annual % Rate	Interest Charge
Purchases	\$2,198.05	10.9000%	\$19.97
Cash Advance	\$2,838.64	10.9000%	\$25.78



#### Need a Holiday Loan?

Low rates and 60-day no payments option.  
Let Patelco put a little jingle in your pocket.  
► [patelco.org/holidayloan](http://patelco.org/holidayloan)

#### Payment Information

Payment Due Date	12/15/2014	New Balance	\$5,161.08
Minimum Payment	\$78.00	Past Due Amount	\$154.00
Overlimit Amount	\$0.00	Total Payment Due	\$232.00

Late Payment Warning: If we do not receive your Minimum Payment by the due date listed above, you may have to pay a late fee of up to \$15.00.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take longer to pay off your balance. For example:

If you make no additional charges and each month you pay...	You will pay off the balance in about...	And you will pay an estimated total of...
Only the minimum payment	24 years	\$11,208
\$168	3 years	\$6,062
		(Savings=\$5,146)

If you would like information about credit counseling services, call 877.847.2155.



#### Account Transactions

Purchase	Posting	Description	Purchases/Charges	Payments/Credits
	11/03	LATE CHARGE	15.00	
	11/15	Interest Charged	45.75	

Fee Summary	Amount
11/03 LATE CHARGE	15.00
Fees This Period	\$15.00
2014 Total Fees	\$60.00

Interest Charged	Amount
11/15 Interest Charge on Purchases	19.97
11/15 Interest Charge on Cash Advances	25.78
Interest Charges This Period	\$45.75
2014 Total Interest Charges	\$512.62

Page 1 of 2

Please detach and return this portion with your payment to: Patelco Credit Union, PO BOX 2227 Merced, CA 95344-0227



P.O. BOX 2227  
Merced, CA 95344-0227

See? It's easy to view your eStatements! Make the switch from receiving paper statements in the mail to eStatements only.

JOYCELYN Y LAMPKIN  
401 ORIZABA AVE  
SAN FRANCISCO CA 94132

☐ My address has changed. Complete all information on reverse.

Statement Period

10/16/2014 - 11/15/2014

Account #

-35

#### Payment Information

New Balance	\$5,161.08
Minimum Payment	\$78.00
Past Due Amount	\$154.00
Overlimit Amount	\$0.00
Total Payment Due	\$232.00

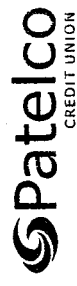
Amount Enclosed

Payment Due Date 12/15/2014

To avoid additional finance charges on purchases, pay the new balance by the payment due date.

EXHIBIT "A"

Your Patelco Credit Union  
Member Handbook



Your money. More value. Smart choice.



Your money. More value. Smart choice.

PCUM000-0206 45m

# **Your Patelco Credit Union Member Handbook**

**Effective: March 1, 2006**

**Membership Agreements, Share Account Agreements and Disclosures and Open-End Consumer Loan and Credit Card Agreements and Disclosures and Privacy Policy**

## **TABLE OF CONTENTS**

## **PAGE**

### **GENERAL AGREEMENTS OF MEMBERS**

Joining the Credit Union	1
Membership Requirements and Eligibility for Services	1
Governing Agreements and Laws	2
Our Obligation to Follow Your Instructions	3
Electronic Service Options	3
CU Service Centers*	3
Waivers and Modifications	3
Revocable Authorization to Check Credit	4
Member Privacy Policy	4
Your Consent to the Terms of this Handbook	4

### **YOUR CREDIT UNION SHARE ACCOUNTS**

General Information	4
Share Account Insurance	4
Minimum Balance	4
Earnings and Payment of Dividends	4
Account Ownership and Transfer of Proceeds at Death	4
Fiduciary Accounts	5
Business and Organization Accounts	5
Continuing Authorization to Open Accounts	5
Deposits and Withdrawals	5
Non-Transferability of Accounts	6
Dividend Calculation, Compounding and Crediting	6
Fees	6
Permanent Records and Statement Review	6
In Case of Errors or Inquiries About Your Statement	6
Electronic Transfer Errors or Unauthorized Use	6
Closing Accounts	6
Escheat	6
Our Handling Accounts in Case of Your Death or Incompetence	6
Early Withdrawal Penalties; Waiver of Penalties	6

### **SAVINGS ACCOUNTS**

Tiered Savings Account	7
Pay-Me-First Account	7
Money Market Account and Money Market IRA	7

Money Market Plus Account and Money Market Plus IRA	7
Insured Variable Money Fund Account	7
Treasury Income Account	8
Treasury Plus Account (TPA)	8
Fund-Plus Account	8
Certificate Accounts	8
Holiday Club Accounts	8

### **INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)**

General Information About IRAs	9
Treasury IRA Account	9
Guaranteed Income IRA	9
IRA Special Share Account Certificate — Series I — 1 Year	9
IRA Special Share Account Certificate — Series K — 2.5 Year	9
Health Savings Account (HSA)	9

### **CHECKING ACCOUNTS**

Interest Checking Account	9
Free Checking Account	9
General Checking Account Terms	9
Payments on Checks	9
Governing Law	10
Stale Dated Items	10
Overdrafts	10
Stopping Payment on Checks	10
Post Dated Checks	10
Availability of Funds for Check Writing	10
Lost or Stolen Checks	10
Immediate Check Payment	10
Prohibition on Pledging Funds	10
Closing Checking Accounts	10
Preauthorized Drafts	11
ACH Conversion of Other Checks	11
Special Services	11
Cashier's Checks and Teller's Checks	11
Wire Transfers	11
Check Hold Policy	11
Check 21 and Substitute Checks	12

### **ELECTRONIC FUNDS TRANSFERS**

Introduction/Scope of Services	12
Terms Applicable to All EFTs	15
CALL-24 Touch-Tone Home Banking	15
PC-24 Home Banking (Including Bill Payer)	15
Plastic Card EFT Access	15
Available ATM Services	15
Fees for ATM and Check Card Services	15

Available POS Services	15	Debt Consolidation Loan Advances	23
Available Transactions at Financial Institutions	15	Courtesy Liens	23
Available Check Card Merchant Transactions	15	Payday Line of Credit	24
Special Terms Applicable to the Check Card	16	Your Billing Rights	24
Limitations on Check Card EFT Transactions	16		
Plastic Credit Cards	16	<b>FEE SCHEDULE</b>	25
Automated Clearinghouse (ACH) Services	16		
Available ACH Services	16		
Limitations on ACH Services	17		
Right to Stop ACH Payments	17		
Notice of Payments in Varying Amounts	17		
Corrections and Payment Revocations	17		
<b>OPEN END LOAN AGREEMENT AND CREDIT CARD AGREEMENT AND DISCLOSURE</b>	17		
Using Your Open End Loan Account and Credit Card	17		
Obligation to Pay	18		
Credit Limit and Account Review	18		
Repayment Terms	18		
Loan Account Finance Charge Calculation	19		
Loan Account Interest Rates	19		
Variable Loan Account Rates	19		
Credit Card Finance Charge Calculation	19		
Credit Card Interest Rates	19		
Additional Rate Information	19		
Loan Account and Credit Card Payment Terms	20		
Monthly Statements	20		
Exceeding Your Credit Limit	20		
Prepayment	20		
Foreign VISA Credit Card Transactions	20		
Other Credit Card Charges	20		
Credit Insurance	20		
Payment Skips/Extensions	20		
Security Interests	20		
Changes in Terms	21		
Honest Dealing	21		
Additional Terms Applicable to Joint Borrowers and Co-Signers (Guarantors)	21		
Default; Lien; Acceleration	21		
Collection Costs	21		
Other Terms Applicable to Credit Cards	21		
Unauthorized Use of Lost or Stolen Cards	21		
Merchant Credits	21		
Merchant Problems	21		
Platinum Rebate Mastercard	21		
Termination	22		
Security Agreement	22		

<b>Your Patelco Credit Union Member Handbook</b>	23
<b>Effective: March 1, 2006</b>	23
<b>Introduction</b>	24
Thank you for joining Patelco Credit Union ("Credit Union"). By signing a membership authorization card and establishing any minimum balance carded for by our bylaws or policy in a Credit Union share account, you agree to the terms in this Handbook that apply to the Credit Union services you select.	24
This Handbook includes several elements. It outlines your rights and obligations as a member-owner of Patelco Credit Union. It contains the agreement that governs all of your Credit Union share accounts, as well as the agreements that govern your Credit Union open-end consumer loan accounts and credit card accounts. We may disclose additional terms of share and open-end loan accounts to you whenever you open a new account, in periodic statements we will send you covering your shares and loans, and in our Credit Union newsletter.	25
Your Credit Union also offers home mortgage loans, home equity loans and home equity lines of credit. These loans will be subject to separate written agreements, and will also be subject to the GENERAL AGREEMENTS OF MEMBERS section of this Handbook.	
In addition to the GENERAL AGREEMENTS OF MEMBERS, please refer to the sections that apply to the specific types of share and loan accounts that you have with the Credit Union.	
Keep this Handbook with your permanent records. The Credit Union may change the terms of our agreements with us by sending you written notice required by law. You should keep any such notices with your permanent records.	
<b>Share Deposit Insurance</b>	
Accounts in the credit union are insured up to \$250,000 by American Share Insurance (ASI), a corporation chartered by the state of Ohio.	
This institution is not federally insured, and if the institution fails, the Federal Government does not guarantee that depositors will get back their money. This institution is not insured by any state government.	
<b>GENERAL AGREEMENTS OF MEMBERS</b>	
<b>Joining the Credit Union</b>	
We require that you complete an original membership authorization card to join the Credit Union. Blank authorization cards are available at Credit Union offices, by fax on demand, or on our web site. You can bring your completed membership authorization card to any Credit Union office. Your membership authorization card may also be submitted by mail, either by you or by a vehicle dealer if you join when purchasing a vehicle. We will accept your completed membership authorization agreement by fax or by electronic submission, and we will open your requested share accounts and begin accepting deposits immediately. However, to protect you and the Credit Union, we may require one or more of the following items before we permit withdrawals by or loans to new Members or before we permit any transaction: (1) your original membership authorization card; (2) a photocopy of your photo ID showing your signature and your date of birth (although we will send mail to P.O. boxes and private mailbox service addresses at your request, we must have your physical address to provide services to you); (3) a photocopy of your Social Security card or other acceptable government-issued document showing your current address; Number, (4) a photocopy of a document showing your current address, such as a current utility bill, if the address you provide on your membership authorization card and any address shown on your photo ID do not match, and, (5) if you are claiming eligibility for membership through employment, a pay stub or other document that we can use to verify your eligibility for membership. If you use a private mailbox address, you must use the "P.M.B." designation in your address as required by postal regulations.	
<b>Terminology</b>	
In this Handbook, "you" and "your" refer to the credit union Member and any joint owner of a share account and any borrower or joint obligor on any open-end loan account. "Member" refers to the person who signs a membership authorization card in the capacity of a Member. "Joint Owner" refers to a person designated by a Member as a co-owner of the Member's share accounts.	

<b>"Primary Borrower"</b> refers to the Member listed as such on a Credit Union credit application. "Joint Obligor" refers to a person obligated, along with the Primary Borrower, to repay borrowed funds, whether as a joint borrower who uses or benefits from the extension of credit, or as a co-signer, who agrees to pay the debt without using or benefiting from the credit. "Owner" refers to the Member or any Joint Owner who has a present ownership interest in funds in a share account. "Signer" refers to any person who is authorized to conduct business on a share account, whether as a Member, Joint Owner, in a fiduciary capacity (such as an attorney-in-fact or personal representative of the estate of a deceased Signer), or otherwise. "Obligor" refers to any person who is obligated to pay a loan to the Credit Union, whether as Primary Borrower, Joint Borrower, Co-Signer, personal representative of a deceased Obligor, or otherwise. "We," "us," and "our" refer to the Credit Union. This Handbook may refer to our share accounts as "savings" accounts, to our share draft accounts as "checking" accounts, and to our term share certificate accounts as "certificates" or "certificate accounts." "Share accounts" or "accounts," if the context so indicates, also refers generally to all accounts maintained with the Credit Union. "Board" refers to the credit union's Board of Directors. The singular implies the plural when a share account has more than one Signer or a debt has more than one Obligor.	
<b>Membership Requirements and Eligibility for Services</b>	
Provided you are within our field of membership, your completion of a membership authorization card, payment of one-time \$20 membership fee and a deposit of \$5 to a Tiered Savings Account makes you a Member of the Credit Union and entitles you to apply for all of our savings and lending services. All applications for membership, share accounts, loans and other services are subject to review and approval. Our review may include checking your credit and/or account histories with consumer reporting agencies and with credit bureaus or CheckSystems. We will comply with all governmental regulations for screening and restricting new accounts such as those required by the USA PATRIOT Act and the Office of Foreign Assets Control (OFAC). We may deny your application based on this review.	
You must be a Member to borrow money from the Credit Union (unless you are the spouse or domestic partner of a Member and live in a community property state such as California, in which case you may be a joint borrower with your Member's spouse or domestic partner without establishing your own membership), vote in Credit Union elections, and hold Credit Union office.	
Membership is open to both active and retired employees of organizations as approved by the board and the California Department of Financial Institutions. Membership is also open to persons who live, work or worship in communities approved by the board and the California Department of Financial Institutions. Current Members to good standing can sponsor relatives (by blood, marriage or adoption) or roommates (individuals living in the same household) as new Patelco Members.	
Minors may join the Credit Union. We reserve the right to require minors to have an adult as joint account owner or joint obligor to be eligible for all share account and loan services, or to require minors to have an adult sign an indemnity agreement in consideration for our permitting a minor to have Credit Union share account or other services.	
Once you become a Member, you are always a Member, even if you move, change jobs or retire, provided you meet your obligations to the Credit Union.	
<b>Grounds for Expulsion or Denial of Services</b>	
As a member-owned cooperative, Patelco Credit Union is your Credit Union. Members are expected to uphold high standards of honesty, personal responsibility and courtesy in dealing with the Credit Union and other Members. We reserve the right to either (a) expel you from Credit Union membership or (b) alter/denial of services at our discretion if you: (1) restrict your access to obligations to the Credit Union; (2) you fail to comply with applicable law and the credit union's bylaws and rules as provided from time to time; (3) you are convicted of a crime and are involved with business you conduct with the Credit Union; (4) you cause the Credit Union a loss in any way including but not limited to changing off account credentials or a breach of security; or (5) you fail to resolve your business with the Credit Union in a civil and business-like way. Violence, threats of violence or harassment against Credit Union staff, volunteers or other Members will not be tolerated. If you	

fail to meet your obligations to us because of a bona fide emergency such as catastrophic illness, the Board of Directors may, at its sole option, allow you to maintain your Membership privileges.

### Activity Requirements to Avoid Minimum

#### Savings Balance Fee

Members must maintain a cumulative balance of \$150 in all of your share sub-accounts or we will deduct a monthly Minimum Savings Balance Fee of \$3 from any share account you have with us until a zero balance in all share accounts is reached. When a zero balance is reached, we will close your Membership. Members with loans or lines of credit, Free Checking Accounts, and minors are exempt from this fee.

### Meeting Your Obligations

Your credit union arrives to offer all Members the highest possible returns on savings and the lowest possible rates on loans, taking market conditions, safety and soundness concerns, and business needs into account. To make this possible, all Members must meet their obligations to the credit union in a timely manner.

You agree to comply with the agreements governing the Credit Union services you request. You agree to be honest with the Credit Union about your financial circumstances. You agree not to omit any material information from loan applications.

You agree not to request credit or use credit card or loan accounts if you have reason to believe you will be unable to make the required payments.

You agree that you will not use or permit others to use Credit Union share or loan account access devices (such as Check Cards or credit cards) or other Credit Union services to conduct illegal transactions such as illegal on-line gambling. We have the right to refuse to authorize a transaction if we reasonably believe that it is illegal. However, ultimate responsibility for determining whether a transaction is legal rests with you, not with the Credit Union. You agree that the actual or alleged illegality of a transaction for which authorized use of your Credit Union services was made will not be a defense to your obligation to pay it. We can revoke any Credit Union services or access devices if you use them for illegal transactions such as illegal on-line gambling.

You will not allow credit union savings or checking accounts you open to fall below a zero balance. If you do inadvertently overdraw any savings or checking account, and you do not have a prearranged available source of overdraft protection, you agree to immediately restore any overdraft upon our written demand. If you do not promptly restore the overdraft, you agree that our Right of Offset (see below) applies. If we cannot recover the amount under our Right of Offset, you agree that our right to recover Collection Costs (see below) applies.

You will take responsibility for items deposited to your share accounts that are returned unpaid. If we have made funds available to you for an item that is returned unpaid, you agree that upon our demand, you will immediately restore the amount of the returned item to your account. If you do not do so, you agree that our Right of Offset applies. If we cannot recover the amount under our Right of Offset, you agree that our right to recover Collection Costs applies. See the Deposits and Withdrawals section of this Handbook for more information about your responsibility for items deposited to your share accounts that are returned unpaid.

You agree to repay money you borrow from the Credit Union according to the terms of the applicable loan agreement. If you do not meet your obligations to us, we may submit negative reports to consumer reporting agencies that report loan payment problems, or checking or savings account abuses. These reports may adversely affect your credit standing.

Each Signer is individually and jointly liable to meet all obligations to the Credit Union resulting from activity on share accounts of which she or he is an owner or signer. Each Obligor is individually and jointly liable to meet all obligations to the Credit Union resulting from activity on loans or lines of credit on which he or she is an Obligor. No release from an obligation to the Credit Union will be valid unless (a) given in writing by an authorized Credit Union employee or (b) ordered by a court or non-judicial dispute resolution provider to whose jurisdiction the Credit Union is subject in a proceeding to which we are a party.

### Your Consent to Our Right of Offset

If you become indebted to us for any reason, and you fail to pay what you owe us according to the terms of your agreements with us or upon our written

demand, you agree that we can take any Credit Union shares in which you have an ownership interest, without notice to you, to collect all or part of what you owe us. This consent by you is in addition to the Credit Union's right to impose a lien on shares under Section 14856 of the California Financial Code. Our exercising this right will not be a decision of remedies and will not impair our right to pursue any other remedies we may have against you. Your consent to our Right of Offset is not a pledge by you of any shares and does not impair your right to withdraw funds as long as you meet your obligations to us. However, you agree that this right extends to any shares you have with us, including IRAs and other accounts that might lose special tax treatment if pledged as security for an obligation, and shares resulting from your deposit of funds normally exempt from creditors' remedies such as social security direct deposit, to the extent not otherwise prohibited by law. The Credit Union never requires you to deposit exempt funds with us.

### Collection Costs

If you are in default in your obligation to us, you agree to pay reasonable costs we incur to collect what you owe us before we take legal action. If we take legal action of any kind (including but not limited to collection lawsuits, proceedings to protect our interests if you become a debtor in bankruptcy), appeals, foreclosures, or actions to enforce judgments), you agree to pay our reasonable attorney's fees and costs of the action. If the legal action we take relates to a credit obligation, you agree that we can add collection costs to the outstanding balance and charge interest on them at the interest rate called for by the credit agreement. We can either extend the repayment schedule of your credit obligations or increase the minimum required payments to recover collection costs we incur because of your failure to meet your obligations.

### Fees and Damages

All Credit Union share accounts and loans may be subject to fees. Our fee structure is designed to encourage use of Credit Union services and to create incentives for Members to meet their obligations and handle their share accounts in a responsible way. All fees are disclosed on the Fee Schedule included in this Handbook. The Fee Schedule may be incorporated from time to time and its most recent version is deemed to be incorporated by reference into this Handbook and made part of it. Fees may be waived at our discretion, subject to applicable anti-discrimination laws and regulations and our anti-discrimination policies.

Fees for special handling of share accounts and loans result in some instances from your failure to carry out your agreements with us. To the extent that our charges for handling such matters may exceed our costs, they are to be considered damages. You agree that our collection of a fee does not waive any right we may have under the law to recover any loss we sustain due to your failure to meet the terms of this Handbook or other agreements you have with us. We also have the right to extra damages whenever the law provides for them, such as the exemplary damages provided as a penalty for writing bad checks.

### Governing Agreements and Laws

This Handbook, our Credit Union bylaws and policies, applicable California and federal laws as amended from time to time, and any separate agreements and disclosures provided to you shall govern your transactions with the Credit Union. The Credit Union may amend agreement terms from time to time consistent with applicable law and regulation by notifying you. If any provision of this Handbook is amended is found to be void or unenforceable under any applicable law, the provision shall be deemed amended as necessary to give effect to the provisions' intent. If the provision cannot be amended, the void or unenforceable provision will be deemed omitted and the rest of the Handbook will remain in effect. In some cases (for example when you use a credit card or Pateco Check Card for purchases or cash advances), you may receive receipts with other terms printed on them. The terms in this Handbook will control over any conflicting terms contained in receipts or similar documents.

### Your Taxpayer ID Number

You are responsible for providing the Credit Union with the correct social security number / taxpayer ID numbers on all share accounts you open with us. We have no duty of further inquiry as to the correctness of the number you provide, but we will not open or maintain accounts without taxpayer ID numbers. If you fail to provide your correct taxpayer ID number, you may be subject to backup withholding and IRS penalties. If you deliberately provide false taxpayer ID information, you may be subject to criminal prosecution and we can close your Credit Union share accounts. We may require a photocopy

of your Social Security card or other acceptable government-issued document showing your Social Security Number before we open a new account or permit withdrawals by or loans to new Members or before we permit any transaction.

### Backup Withholding

The Credit Union has the right to withhold amounts required by federal tax laws from withdrawals if you or the Internal Revenue Service advise us that you are subject to backup withholding or if you fail to give us your correct taxpayer ID/social security number.

### Dissemination of Information and Compliance with the Law in Handling Your Accounts

We will comply with lawfully issued subpoenas, levies, information requests and reporting requirements, writs of attachment, and similar orders pertaining to your Credit Union services. We honor tax levies issued by state or federal taxing authorities. You must take up any objections you have on matters of this type directly with the individual or entity that has requested information about or asserted a claim to funds in your share accounts.

We will disclose information to our service providers, merchants, and other financial institutions, as is necessary to carry out transactions you initiate that involve Pateco services you have. Please refer to our separate PRIVACY POLICY for more information.

We will disclose information about your share accounts and loans as required by law. For example we disclose dividends earned on your share accounts to the Internal Revenue Service. We disclose information about you and your share accounts in connection with child support data matching requests, we suspect elder abuse, and we report any transaction that is required to be reported to the federal government under the USA PATRIOT Act, Bank Secrecy Act and Anti-Money Laundering laws.

We will disclose information regarding Credit Union share accounts to any Signer and information regarding Credit Union loans to any Obligor, provided any research and copying fees are paid. We do not disclose information to contingent owners (such as pay-on-death beneficiaries of share accounts) until the situation that would make them an owner of the account (such as the death of all owners) has arisen.

### Our Obligation to Follow Instructions

Any Signer on a Credit Union share account, and any Obligor on a Credit Union loan account, can act individually or jointly give us oral, written or electronic instructions on the share or loan account and we will be obligated to carry out such instructions provided we have followed reasonable security procedures in identifying the Signer or Obligor.

Because we operate in an automated processing environment, we cannot honor dual or multiple signature requirements.

We will follow the most recent instructions we have received and will have no liability to any person for doing so. If we receive conflicting instructions, we have the right to freeze the related share or loan account until we receive consistent written instructions from all signers or obligors or a court order.

We have the right to refuse to follow instructions if we reasonably believe them to be fraudulent, unauthorized, or made under duress. We will not, however, be liable to any person for following instructions that are fraudulent, unauthorized or made under duress unless either (a) we have actual knowledge of the lack of authenticity, lack of authorization, or duress; (b) our negligence, such as our failure to follow commercially reasonable security procedures, results in our following unauthorized instructions; or (c) the law imposes responsibility on us, such as for paying checks with forged signatures if reported to us in a timely manner.

The authority of a Signer or Obligor to give instructions on a share or loan account may be terminated in one of three ways. First, the share or loan account may be closed and re-opened with different signature or borrowing authority (approval of a new membership authorization card and/or new credit application may be required). Second, all current Signers or Obligors may give their written consent to the change. Third, in the case of a person having access to a share or loan account in a fiduciary capacity (such as the holder of a power of attorney), notice must be given to the Credit Union in writing of either (a) the revocation of the fiduciary's authority by the principal who granted the authority; (b) the resignation of the fiduciary; or (c) a court order revoking the fiduciary's authority.

A valid court order of which we have actual notice in the form of a certified copy of the order will always supersede inconsistent instructions from any Signer or Obligor.

By maintaining any share or loan account at the Credit Union, you agree to defend, indemnify and hold the Credit Union harmless from any claims, losses, damages, liability or expenses that result from our accurately following the instructions of any Signer or Obligor.

### Electronic Service Options

Many Members prefer to conduct their business with us electronically whenever possible. We make services available electronically when permitted by law, technically feasible, and consistent with safety and soundness.

The membership authorization card allows you to elect the services you would like us to perform electronically once your membership is established. Of course you can request any electronic funds transfer service we offer (see the Electronic Funds Transfers section of this disclosure). In addition, you can:

- elect to receive all periodic statements on your accounts and loans electronically in lieu of having us mail you a paper statement (not available on credit cards)
- apply for loans
- obtain and sign agreements and disclosures for the loans and accounts you request

We will tell you the type of equipment you need to download and print documents we provide to you electronically. If you request electronic services, we can assume that you are able to download and print documents. If you have difficulty downloading or printing a document electronically you should call us to provide paper documents.

For your privacy and protection, we will not electronically receive any information about your accounts or accept loan applications or disbursement authorizations without your using your confidential PIN.

If you prefer to conduct your business with us on paper, all of our services are available in that form. You can discontinue any electronic service at any time.

### CU Service Centers

Members can conduct business on their Pateco share accounts and loans at Credit Union Service Center (CUSC) locations. All transactions conducted at CUSCs are subject to the CUSC's separate operating procedures, policies and fees. Transactions on Pateco share accounts and loans are subject to the terms of Pateco's agreements with its Members. Pateco may impose fees for some transactions conducted at CUSCs. Please see the Fee Schedule. You may need a Pateco ATM card, check card, or credit card and a Confidential Personal Identification Number (PIN) to access your accounts at a CUSC. Additional identification, such as a driver's license or other photo ID, will be required to complete your transaction. If you do not have your Pateco ATM card, check card, or credit card with you, the CUSC may complete a transaction for you and impose a CUSC fee for doing so.

Services provided at CUSCs may include deposits, withdrawals, check cashing, account inquiries, fund transfers, loan payments, loan advances, traveler's checks and money orders. You will receive receipts for transactions conducted at CUSCs and they will be reflected on your periodic statement. Keep your receipts to verify your statement. Transactions made through CUSCs are processed the same business day. Business days are Monday through Friday, excluding holidays. Transactions made on weekends, including Friday evenings, and holidays will be processed on the next business day.

### Waivers and Modifications

We can fail to exercise one or more rights we may have under this agreement or fail to exercise one or more rights we may have under other agreements we have with you on one or more occasions without which failure being deemed a waiver of any right and without altering the terms of any agreement with you. Consistent with any limits imposed by law, we can modify any of our agreements with you by giving notice required by law and allowing you an opportunity to avoid the change by satisfying any outstanding obligation you have to us and discontinuing the related service. A modification may include the addition of a new term, a change to an existing term, or a deletion of an old term. Any alteration of the terms of an obligation you have to us (such as the extension of a loan term) will be valid only if in writing and signed by an authorized agent of the credit union.

## Revocable Authorization to Check Credit

By maintaining your membership, you authorize us to check your credit from time to time to determine your eligibility for credit union products and services. You can revoke this authorization at any time by notifying us in writing. In any case, if you apply for credit, or maintain any open-end credit or share accounts with us, we will check your credit or account history with third parties when you apply for the service and as part of our normal account review process.

## Member Privacy Policy

Pateco recognizes the importance of maintaining the trust of our members. We recognize our obligation to maintain the privacy of our members' financial information. We are subject to the privacy law as well as new regulatory privacy requirements. A summary of our privacy policy follows. In addition, our members receive our detailed privacy policy once a year.

Pateco has adopted as its fundamental policy that non-public Pateco member information will not be shared. Specifically this means:

1. Pateco member information will never be sold.
2. Pateco will comply with all regulatory requirements (i.e. 12 CFR 716), including the offering of an opt-out provision.
3. All mailings to Pateco members, including mailings from our affiliates, will be sent from a Pateco-contracted mailing facility. Member information will not be shared with the affiliate.

## Necessary Exceptions:

Despite Pateco's commitment to not sharing member information, it will be necessary to share specific information in the following limited circumstances:

1. To provide a service requested by the member
2. To process member transactions
3. To meet legitimate business needs
4. To meet audit or examination requirements or to comply with a legal process.

## Your Consent to the Terms of this Handbook

Payment of the Credit Union membership fee and minimum tiered savings deposit and completion of a membership authorization card constitutes your agreement to the terms of this Handbook.

## YOUR CREDIT UNION SHARE ACCOUNTS

### General Information

#### Share Account Insurance

Share accounts in the Credit Union are insured up to \$250,000 by American Share Insurance (ASI), a corporation chartered by the state of Ohio. This institution is not federally insured, and if the institution fails, the Federal Government does not guarantee that depositors will get back their money. This institution is not insured by any state government.

#### Minimum Balance

The minimum balance to maintain membership and be eligible for Credit Union services is \$5 in the Tiered Savings Account.

#### Earnings and Payment of Dividends

If a share account earns dividends, they accrue from the business day we receive your deposit. The Board sets our competitive dividend rates, taking into consideration the cost of funds and market conditions. Dividends are only paid out of current income and available earnings after required transfers to reserves at the end of the dividend period. Dividends cannot be guaranteed. Unless otherwise indicated, dividend rates and corresponding annual percentage yields are not set in advance, are variable and can change at any time. The Board may change dividend rates. See our separate Initial Account Disclosure for the current dividend rate and Annual Percentage Yield (APY) of all share accounts. The Initial Account Disclosure, as amended from time to time, is incorporated by reference into this Handbook and made part of it.

## Account Ownership and Transfer of Proceeds

### at Death

You own all accounts established under your Member number. When permissible, you may designate one or more Joint Owners of your accounts on your membership authorization card. Joint Owners are not allowed on IRA, IRA Certificate or UTMA Accounts. Joint Owners are also prohibited on fiduciary accounts (such as living trust or estate accounts), but in situations where more than one fiduciary is appointed, the co-fiduciaries may both sign on the account.

Joint Owners must sign the membership authorization card along with the Member. Joint Owners designated on the membership authorization card, along with the Member, own all proceeds of each non-IRA account held under that Member number, with right of survivorship. Joint Owners may deposit or withdraw any amount in any non-IRA account under that Member number, except that a Joint Owner cannot withdraw funds that would have the effect of terminating the Member's membership. Withdrawal by any one owner of funds in an account terminates the rights of all other account owners to the withdrawn funds.

Joint Owners acting individually may pledge share accounts as security for loans. In addition, if a Joint Owner becomes indebted to the Credit Union in any manner, any share account in which the Joint Owner has an interest becomes subject to the Credit Union's right of Offset, even if the Member on the share account is not a party to the transaction that resulted in the Joint Owner's debt.

Should any owner of a Joint account die, any surviving Owner(s) will automatically own any money in the account. When the last owner dies, the account proceeds will automatically pass to any named Pay-on-Death (POD) beneficiary(ies), or, if no beneficiaries are named, to the estate of the last owner. If the Joint Owner is eligible for Membership, a new Member account will be opened and all eligible account proceeds will be transferred to the new Member account number. If the Joint Owner is not eligible for membership, a check for the account proceeds will be issued to the Joint Owner and the account will be closed.

A person who is a Signer on an account in a fiduciary capacity only (for example, an attorney-in-fact) does not succeed to ownership of account proceeds at the death of the last Owner of the account.

Members may also elect to own accounts individually rather than jointly. On individual accounts, the account proceeds will transfer at the Member's death to any named POD beneficiary(ies); if, no beneficiaries are named, to the Member's estate.

If you have no surviving joint owners or POD beneficiaries, and your estate will be subject to probate in the state where you live, we will issue a check for the proceeds of your account to your executor or administrator after we receive copies of letters testamentary or letters of administration issued by the court.

If your estate will not be subject to probate under a law such as California Probate Code § 15000 et seq., which provides for the distribution of property of small estates without probate, we will disburse account proceeds consistent with the requirements of applicable law.

On accounts with designated POD beneficiaries, funds pass automatically to the named beneficiaries and are not subject to any probate proceeding. If you name more than one POD beneficiary, your beneficiaries will receive account proceeds in equal shares unless you indicate otherwise on your membership authorization card.

POD beneficiaries are not allowed on UTMA or fiduciary accounts. You may wish to consult with your tax advisor or legal advisor before you designate POD beneficiaries on IRA accounts because your decision may have significant tax consequences.

All Pateco joint accounts are joint tenancy accounts with right of survivorship. Any disputes about the entitlement to funds in joint accounts must be resolved by the account owners or their successors in interest without involvement from the Credit Union. Under community property law, a married person or a person in a domestic partnership can establish financial institution accounts in his or her own name without the consent of his or her spouse or partner. The account-owning spouse or partner can designate any POD beneficiary he or she wishes. However, the surviving spouse or domestic partner of the account owner may have a right to his or her community property interest in

the account at the death of the account owner. This interest, if asserted, would reduce the amount that transfers to a non-spouse POD beneficiary.

The Credit Union will retain and follow only your most recent membership authorization card. The Credit Union will consider any omission from your current membership authorization card of information that was included in a previous authorization card of yours to have been intentional. Thus, for example, if your earlier authorization card designated a POD beneficiary and your current authorization card has no POD beneficiary designation, we will assume that you want your share accounts to pass to your estate at your death.

## Fiduciary Accounts

We can set up all accounts except IRAs for special purposes such as family trusts, executors of estates, and guardians and conservators. Uniform Transfer to Minor Act (UTMA) accounts are also available. Fiduciary accounts are subject to separate written agreements. Certain restrictions apply.

## Business and Organization Accounts

All accounts or sub-accounts held in the name of a business or organization are subject to approval based on our membership bylaws and are subject to the same terms and conditions set forth in this Handbook as other accounts. In addition, the credit union has the right to require documentation informing the credit union of (a) who is authorized to act on the business or organization's behalf, (b) the organization's taxpayer ID number, and (c) a business license, fictitious business name statement, and/or federal tax returns. You are responsible for notifying the credit union of any changes in authority to act on business accounts. Business accounts are available to sole proprietors only. The credit union does not provide business accounts to partnerships, limited liability companies, corporations, or other business entities. Business accounts may also be subject to separate or additional agreements.

## Continuing Authorization to Open Accounts

By completing a membership authorization card, you give the Credit Union a continuing authorization to open any share account for you on your verbal request and deposit of funds. New share accounts under the same Member number will have the same joint owner(s) and/or POD beneficiary(ies) as any existing share accounts under that Member number.

If a Member wishes to designate different joint owners for different share accounts, or to have both joint and individual accounts, or to have different POD beneficiaries for different accounts, you must provide a separate authorization card for each account that will have different owner or beneficiary combinations. This will not result in any individual obtaining more than one membership or more than one vote in Credit Union elections.

## Deposits and Withdrawals

Funds can be deposited to your share accounts by (1) direct deposit of your net pay or retirement benefits, (2) automatic payroll deduction, (3) in person at Credit Union branches or Credit Union Service Centers, (4) by mail, (5) by wire transfer, (6) through certain ATM networks to which the Credit Union belongs, and (7) by transfer from other Credit Union accounts. Certain deposits are subject to delayed availability, as spelled out in the "FUND'S AVAILABILITY POLICY" section of this Handbook.

Withdrawals can be made (1) in person, (2) by an automated electronic request (Call 24, PC 24) to transmit a check, electronic transfer or wire transfer to you or a person you designate, (3) at ATMs, (4) in person at credit union branches and Credit Union Service Centers, (5) by writing checks if you have a credit union Checking Account, and (6) by pre-authorized (ACH) transfer.

Withdrawals by cash are limited to availability of cash, and may be limited to Credit Union branch cash policy, which is up to \$1,000 per member per day.

Withdrawals from available funds can be made by Credit Union check payable to you. On your credit union Checking Account, you may write as many checks and make as many transfers or withdrawals out of the Account as you wish, provided you have sufficient funds. The number of deposits you may make is unlimited on all account types except for certificate accounts. However, transfers out of your Tiered Savings Accounts, Money Market Accounts and other non-transaction accounts by certain methods are limited. The descriptions of each account type below will tell you if that account type limits withdrawals or transfers. Unless otherwise stated, you may make as many withdrawals or transfers out of your accounts as you wish using these means: (1) in person, (2) by mail, (3) at the ATM, or (4) by a telephone request to mail a check payable

to you to your address in our records. All other withdrawals or transfers out of non-transaction accounts are limited to six per month. Examples of transfers we will not process include: (1) pre-authorized automatic payments, such as for health club dues or utility bills; (2) automatic or bill payment requests submitted using Call 24 or PC 24; or (3) transfer and pre-authorized account transfers (including overdraft protection transfers).

We may refuse to accept pre-deposit checks or other items that are stale dated (more than six months old), appear to have been altered or are not made payable to you. However, we have no obligation to process a check presented for deposit to your account. We open an automated processing environment and do not physically examine checks presented for deposit. You agree to defend, indemnify and hold the Credit Union harmless from any claims, losses, liability, damages or expenses we incur as a result of accepting items for deposit to your accounts, unless we fail to exercise ordinary care in accepting the item.

We can accept an item payable to your share items for deposit to any account of which you are the owner in our records, whether or not you have endorsed the item, and whether the account to which it is deposited is shown on our records as a joint account or a single owner account. If an item is payable to you or another person, we can accept the item for deposit to any account of which you are an owner in our records, whether or not you or the other person(s) have endorsed the item, and whether the account to which the item is deposited is shown in our records as a joint account or a single owner account. If an item is payable to you and another person, (a) we can accept the item for deposit to any account on which you and all other payees are joint owners in our records, whether or not you and/or all other payees(s) have endorsed the item, (b) if all payees have endorsed the item for deposit to an account, regardless of the ownership of that account; and (c) if the item is deposited to an account on which all payees are not shown as joint owners in our records, we can, at our option, either refuse to accept the item for deposit, or accept the item for deposit to the account that our record shows is owned by an endorsing payee. If we accept an item for deposit to an account owned by an endorsing payee, the endorsing payee agrees to defend, indemnify and hold the Credit Union harmless from any and all claims by non-endorsing payees. If an item is not payable to you but has been endorsed over to you by a third party payee, we reserve the right to refuse to accept the item for deposit to your account or to require that the third party payee's financial institution guarantee the third party's endorsement. If you deposit an item that is not payable to you or endorsed to you by the payee, you agree to defend, indemnify and hold us harmless from any claims or losses we incur, and you may be subject to civil suit or criminal prosecution. We have the right, but not the obligation, to refuse to accept for deposit items payable to you but not endorsed by you.

If we receive an erroneous deposit, such as a duplicate direct deposit of your net pay or a direct deposit of social security benefits after the payee's death, we can return the erroneous deposit to the payer and deduct the amount of the erroneous deposit to your account.

If an item you deposit is returned unpaid, we will deduct any amount for which you have received provisional credit from your accounts. All credits are provisional until we receive final payment from the institution on which the deposited item is drawn.

You acknowledge that our making funds from a non-cash deposit available to you for withdrawal is not a guarantee or representation by us that the item you deposited will be paid. If you are concerned about the validity of an item you want to deposit, you should contact the financial institution on which the item is drawn. No Credit Union employee has the expertise or is authorized to give you an oral or written guarantee that an item you deposit will be paid. Should any Credit Union employee state orally or in writing that they believe an item you deposit will be paid, that should be interpreted only as that employee's best guess and not as a guarantee. If the paying financial institution lawfully returns an item you deposited, we will deduct the amount of the item from your account, even if you have already withdrawn the funds and the net deduction results in a negative balance.

We can deduct amounts of erroneous payments or uncollected deposits without advance notice to you, though we will notify you as soon as is reasonably practicable. You must, upon our demand, restore any negative balance that results from our deducting erroneous or uncollected deposits from your accounts. If you do not do so, our right of Offset applies. If we cannot restore the negative balance by exercising our right of Offset, our right to recover

Collection Costs applies.  
Funds pledged as security for loans cannot be withdrawn without the Credit Union's prior written consent. We may refuse withdrawals if you have delinquent obligations with us.  
Items drawn on an institution located outside of the United States are handled on a collection basis only as long as the amount is equivalent to \$200.00 (US) or over. Funds will be credited to your account when we receive final payment.  
There is a fee for collection items. Please see the Fee Schedule.

#### Non-Transferability of Accounts

Except for Checking Accounts, all accounts are non-transferable, other than on the books of the credit union. This means that shares can only be transferred to other members. To transfer your shares to another member, you must use a written form acceptable to us.

#### Dividend Calculation, Compounding and Crediting

We calculate dividends on all of our accounts using the daily balance method, which applies a daily periodic rate to the balance in the account each day. No dividends will be earned on any day that the account balance is below the stated minimum to earn dividends. Dividends are credited on the first day after the end of the dividend period. For example, if dividends are credited quarterly, they are credited on April 1, July 1, October 1 and January 1. For tax reporting purposes, dividends are reported in the year they are credited, not the year they are earned.

#### Fees

All credit union accounts may be subject to fees which, if assessed, may reduce earnings. Please see the Fee Schedule.

#### Permanent Records and Statement Review

We will mail to you (or make available electronically if you so elect) periodic statements recording all deposits, withdrawals, checks drawn on your Checking Account (if you have one), dividends (if any) and fees. All accounts will receive a statement at least quarterly, unless the account is restricted. Checking accounts and accounts with electronic transfer activity will receive monthly statements. If there is more than one owner of the account, the statements will be sent to the first account holder. If you elect paper statements, we will mail them to you at your address in our records. You must notify us of any address change in writing.

You will not receive your cancelled checks, but we do truncate checks. You can obtain copies of them for up to seven years. The first two check copies per statement period are free; additional copies are subject to a fee. Please see the Fee Schedule.

The credit union is not responsible for items lost in delivery by the post office or otherwise not collected by the Member.

If any mailed statements that we send you are returned undelivered by the post office, the credit union is authorized to destroy them. Destroyed statements will be available by optical storage for the time period required by law. If you do not receive a statement, please contact us at once.

#### In Case of Errors or Inquiries about

##### Your Statement

Please review your statements promptly. Your failure to do so may result in losses the Credit Union will not cover.

If you suspect that there was an unauthorized signature or alteration of an item that affected one of your accounts (for example, if you think someone forged your signature on your check), you must notify us in writing within thirty (30) days after we mailed you the first statement on which the item appeared. If you do not tell us within 30 days, we are not responsible for any losses you incur because of the forgery or alteration of a check on your account. We operate an electronic processing environment and it is not economically or practically feasible for us to examine every signature on every check. For this reason, we are, as permitted by the Commercial Code, altering the provisions of the Uniform Commercial Code regarding the time limits for reporting unauthorized signatures or other unauthorized transactions on checking accounts.

The Credit Union will investigate any errors, provided you notify us in writing within sixty (60) days of the mailing of the statement containing the error. Tell us all the information requested under the section entitled "WHAT TO TELL

#### US IN CASE OF ANY ERROR OR INQUIRY

We will not be liable for errors if you fail to notify us within the 60-day period.  
If we correct any error that we made or accept any responsibility for a transaction, we have the right to collect the amount credited to your account from anyone else who is responsible. Our crediting your account will result in automatic assignment to us of your rights to collect the amount from anyone else. You agree to cooperate with our efforts to collect the amount we credited to your account.

If we make an error handling your account, our liability will be limited to the actual damages, not to exceed the amount of the transaction. We will not be liable for consequential damages such as alleged harm to your credit standing, unrealized profit, emotional distress or exorbitant damages due to a claimed reckless disregard of the consequences of our actions.

#### Electronic Transfer Errors or Unauthorized Use

Please see the separate Electronic Funds Transfer Agreement and Disclosure in this Handbook for information about your rights and responsibilities.

#### Closing Accounts

We have the right to close your account(s) for any business reason on 10 days' written notice to you at your last known address. Any closing of your accounts will not affect our handling of regular transactions prior to the notice, provided that sufficient funds are on deposit to handle them. Other grounds for closing your account(s) with or without advance notice include: your writing NSF checks without overdraft protection; your failure to pay your loans; your misuse of a checking account for check kiting or other unlawful purpose; or your failure to observe the conditions of any other agreement with the credit union.

#### Escheat

If our records indicate that you live in California and there has been no activity on your account other than crediting of dividends for three years, your account will be deemed abandoned and subject to forfeiture to the state of California pursuant to California Code of Civil Procedure §1513.5. We will change the maximum fee allowed by law for this process. After two years of inactivity, we will notify you at your address in our records that your account will escheat if you do not contact us to indicate an interest in your account. Once the shares and dividends are turned over to the State, the credit union has no further liability to you. You must contact the State Controller's Office to request return of the funds. The address is: Division of Unclaimed Property, P.O. Box 942859, Sacramento, CA 94250-5873. You need to provide the escheatment amount and escheatment date. This information is found on the last statement you received from the credit union. Accounts which are escheated to the State in the middle of a period will not be paid dividends/interest for that period. If you reside in a state other than California, and your state law requires us to turn over inactive accounts, we will comply with any notice and turn over requirements imposed by your state.

#### Our Handling Accounts in Case of Your Death or Incompetence

If there are no joint owners on your account, your death or a court appointment of a conservator to manage your legal affairs will terminate our authority to disburse funds from your account. Our authority will terminate ten days after the later of (1) the date of your death or the appointment of a conservator or (2) the date we learn of your death or the appointment of a conservator. After we learn of your death or incompetence, we will comply with the law or court orders in discharging account proceeds, and we will honor stop pay requests by any persons claiming an interest in your account.

#### Early Withdrawal Penalties; Waiver of Penalties

Unless otherwise specified on all accounts subject to early withdrawal penalties, if funds are withdrawn within six days of account opening or renewal, the penalty will be seven days' dividends on the entire account balance, even if less than the entire balance is withdrawn and even if the penalty will invade principal. Other penalties are stated in the applicable account descriptions below. If an account has an early withdrawal penalty, the penalty may be waived at our discretion if (1) you close an IRA Certificate within seven days of opening it, but only if the penalties would invade principal (you will pay any penalties that will not invade principal); (2) you withdraw funds from an IRA Certificate after reaching age 59 1/2 or becoming disabled (black (b) you withdraw funds within one year after our merger with another federally insured financial institution, if the merger results in a loss of federal insurance on the Certificate

#### SAVINGS ACCOUNTS

that you would have maintained had the merger not occurred, (d) any owner of the Certificate dies; (e) any owner of the Certificate is deemed incompetent by a court or other administrative body of competent jurisdiction; or (f) you withdraw the funds within the grace period following maturity.

#### Tiered Savings Account

Dividend rates and APYs are set at the end of each quarter and can change quarterly or more frequently at the Board's discretion. If your balance reaches a designated dividend tier on any day, the entire account balance will earn the dividend rate for that tier on that day. For current rates and tiers as set by the Board, see the Initial Account Disclosure, available at our branches and on our web site.

Dividends are credited and compounded on the first day following the end of a calendar quarter. The minimum balance to open this account and be eligible for Credit Union services is \$5.00. This is a non-transaction account and certain types of withdrawals are limited to six per month (see Deposits and Withdrawals above). If you violate these limits, we can close the account and put the funds in another account you are eligible to maintain or take away the transfer capabilities of this account. This account can be used as an overdraft protection source, but not more than six times per month. This account can be pledged as security for a loan.

#### Pay-Me-First Account

(No new accounts accepted at this time)

To encourage savings, if you make an automated deposit (direct deposit, payroll deduction or automatic transfer) of at least \$1.00 to the Pay-Me-First Account for each month of the quarter, your dividend rate will be 1/2% (50 basis points) higher than that for the Tiered Savings Account. The higher rate will go into effect on the first day of the quarter following the quarter in which you sign up for the Pay-Me-First Account. If the automated deposits are discontinued during any quarter, the normal Tiered Savings Account dividend rate will apply going forward. Other than the dividend rate and yield increase for automatic deposits, the terms of the Pay-Me-First Account are identical to the terms for the Tiered Savings Account.

#### Money Market Account and Money Market IRA

Dividend rates and APYs are set at the end of each month and can change monthly or more frequently at the Board's discretion. If your balance reaches a designated dividend tier on any day, the entire account balance will earn the dividend rate for that tier on that day. For current rates and tiers as set by the Board, see the Initial Account Disclosure, available at our branches and on our web site. Dividends are credited and compounded on the first day following the end of a calendar month.

You can make unlimited deposits to your regular Money Market Account. Contributions to the Money Market IRA are subject to IRA limitations. You can make no more than six withdrawals or transfers of any kind per month out of this account. If you violate these withdrawal or transfer limits, we can close the account and deposit the funds in another account you are eligible to maintain or take away the transfer capabilities of this account. Funds in this account (if it is not an IRA) are available for overdraft protection. This account cannot be pledged as security for a loan.

The Money Market Account (non IRA) has an optional checking feature. The maximum number of checks that may clear an account is three (3) in any calendar month period. The limit established on this account. Should your Money Market Account have more than three checks clear in any calendar month period, we reserve the right to close the account or convert the account to a Checking Account without advance notice. The same check processing fees as disclosed for Fidelity's Checking Account (such as NSF, Check Copies and Sup Payment) apply to checks written on the Money Market Account (see Fee Schedule).

#### Money Market Plus Account & Money Market

##### Plus IRA

Dividend rates and APYs are set at the end of each month and can change monthly or more frequently at the Board's discretion. Dividends are credited and compounded on the first day following the end of a calendar month. If

your balance reaches a designated dividend tier on any day, the entire account balance will earn the dividend rate for that tier on that day. For current rates and tiers as set by the Board, see the Initial Account Disclosure, available at our branches and on our web site. You can make unlimited deposits to your Money Market Plus Account. Contributions to the Money Market Plus IRA are subject to IRA limitations. You can make no more than six withdrawals or transfers of any kind per month out of this account. If you violate these withdrawal or transfer limits, we can close the account and deposit the funds in another account you are eligible to maintain or take away the transfer capabilities of this account. Funds in this account (if it is not an IRA) are available for overdraft protection. This account cannot be pledged as security for a loan.

The Money Market Plus Account (non IRA) has an optional checking feature. The maximum number of checks that may clear an account is three (3) in any calendar month period. The limit established on this account. Should your Money Market Plus Account have more than three checks clear in any calendar month period, we reserve the right to close the account or convert the account to a Checking Account without advance notice. The same check processing fees as disclosed for Fidelity's Checking Account (such as NSF, Check Copies and Sup Payment) apply to checks written on the Money Market Plus Account (see Fee Schedule).

#### Insured Variable Money Fund Account

The dividend rate and APY are based on the weekly reported "All Taxable Money Fund Average" based on the "MoneyFunds Inc." as quoted in the USA 100DAY™ on Wednesdays and the WALL STREET JOURNAL™ on Thursdays. The dividend rate and APY and the amount by which they may deviate from the "All Taxable Money Fund Average" may change any time the Board's sole discretion. For current dividend rates and APYs, see the variable Mutual Account Disclosure, available at our branches and on our web site.

Dividends are credited and compounded monthly on the first day following the end of a calendar month. You must have a minimum balance of \$10,000 to open, maintain and earn dividends on this account. All funds deposited in this account must come from sources outside Fidelity (new money only). For this reason, deposit and withdrawal activity on this account through CALL-24 or PC-24 may be restricted. If your balance falls below \$10,000 on any day for any reason, you will not earn any dividends for that day and your account will be closed and the balance transferred to your Tiered Savings Account. This is a non-transaction account subject to the six per month limits on certain types of transfers and withdrawals (see Deposits and Withdrawals above). If you violate these limits, we can close the account and deposit the funds in another account you are eligible to maintain or take away the transfer capabilities of this account. You cannot use this account for overdraft protection or pledge it as security for a loan. We reserve the right to prohibit new accounts or prohibit additional deposits to this account at any time.

#### Treasury Income Account

The dividend rate and APY are set at the beginning of each quarter and are based on the average of the previous 12 weeks' auction yields of the six month U.S. Treasury bill (the index) plus 0.60% (60 basis points). The Board can change the rate, yield and formula used to determine the rate at any time at their sole discretion. For current dividend rates and APYs, see the current Initial Account Disclosure, available at our branches and on our web site.

Dividends are credited and compounded quarterly on the first day following the end of a calendar quarter. A minimum balance of \$25,000 is required to open the account.

You must notify us six months in advance if you want to withdraw funds from this account or to close it, or the withdrawal on closure will be subject to penalty. You have ten days after the date you schedule for a withdrawal to make the withdrawal without penalty. If you do not withdraw your funds within 10 days of the scheduled withdrawal date, you must give us a new six month notice. Only one notice can be in effect at a time. Withdrawals without advance notice result in the following penalties: (a) if funds are withdrawn without advance notice you open the account or add to it or make a withdrawal from it, the penalty will be seven days' dividends on the entire balance; (b) if funds are withdrawn after more than six days but prior to any notice withdrawal date, the penalty will equal the dividends earned, up to six months' dividends, on the amount withdrawn. The stated APY assumes dividends will remain in the account for at least six months. Earlier withdrawal will reduce earnings. Early withdrawal penalties are waived in certain circumstances (see Early Withdrawal Penalties).



#### Waiver of Penalties (above).

You can schedule authorized monthly payments out of this account to you, either in the form of a check payable to you and mailed to you or a transfer to your Tereb Savings Account. The monthly payment cannot equal more than 1/6 of the balance in the account. You can change the amount of the monthly payment only twice a year.

You can pledge this account as security for a loan, provided that (a) the loan term does not exceed six months or the time remaining until a withdrawal date you have scheduled, and (b) the loan amount does not exceed the difference between the account balance and any payments not yet scheduled. You cannot use this account for overdraft protection. We can discontinue this account at any time by giving you six months' advance notice.

#### Treasury Plus Account (TPA)

(No new accounts accepted at this time)

The dividend rate and APY are set at the beginning of each quarter and are based on the average of the previous 12 weeks' auction yields of the six month U.S. Treasury Bill (the index) plus 1.00% (100 basis points). Except for the difference in the formula used to determine the dividend rate, the terms of this account are identical to the terms of the Treasury Income Account (see above). Current dividend rates and APYs on existing accounts are shown on periodic account statements.

#### Fund-Plus Account

(No new accounts or new deposits to existing accounts accepted at this time.)

The dividend rate and APY are set on the first day of each month and are based on the distribution rate of the Goldman Sachs Short Duration Portfolio fund as of the 25th day of the previous month, less 0.40% (40 basis points). The Board can change the dividend rate. APY and formula used to set the rate monthly at any time at their sole discretion. Current dividend rates and APYs for existing accounts are shown on periodic share account statements.

Dividends are credited and compounded on the first day following the end of a calendar month. You must have a minimum balance of \$25,000 to open, maintain, and earn dividends on this account. If your balance falls below \$25,000 on any day for any reason, you will not earn any dividends for that day and your account will be closed and the balance deposited to your Tereb Savings Account.

All funds deposited to this account must originate from sources outside Puerto Rico. To qualify for this account, you must have at least three other Puerto Rico or loan sub-accounts. Deposits and withdrawals must be at least \$5,000 each. You cannot make more than six withdrawals or transfers out of this account per month. If you violate these limits, we can close the account and transfer funds in another account you are eligible to maintain or take away the transfer capabilities of this account. This account cannot be pledged as security for a loan or used for overdraft protection.

We can discontinue this account by giving you 90 days' advance notice or prohibit additional deposits at any time without prior notice.

#### Certificate Accounts

##### General Information

You can select certificates with terms from 90 days to 60 months in length. We also offer a ten-year certificate and other special certificates from time to time. Certificate accounts give you a fixed dividend rate and APY over the specified term. Dividend rates and APYs offered on new certificates can change any time at the Board's discretion. Current dividend rates and APYs are shown on the current Initial Account Disclosure, available in our branches and on our web site.

On certificates with terms less than 12 months, dividends are compounded and credited at maturity. For certificates with terms longer than 12 months, dividends are compounded and credited monthly on the first day following the end of a calendar month. A minimum balance of \$5,000 is required to open and maintain a 10-year certificate. A minimum balance of \$1,000 is required to open and maintain all other certificates. A minimum balance of \$500 is required to open and maintain an IRA certificate. You may borrow against non-IRA certificates provided that the loan term does not exceed the certificate maturity date. You cannot use Certificate accounts for overdraft protection.

#### APY Assumptions

The disclosed Annual Percentage Yield (APY) assumes that accrued and credited dividends will remain in the account until maturity. Earlier withdrawals of dividends will reduce earnings.

#### Renewal at Maturity

Certificate Accounts renew automatically at maturity unless, at maturity or during the 90-day grace period that follows maturity, you close the Certificate Account or ask us to transfer the funds to a Certificate Account with a different term. Automatic renewal will be for the term of the closest shorter term if we are no longer offering the term at that time. If the closest shorter term is the Credit Union's then offering for Certificates for that term, we will send you a notice before your Certificate matures but the new APY for the renewed Certificate will not be determined until the maturity date. Please call the Credit Union at (415) 442-6200 on the maturity date to learn the dividend rate and APY that will apply to the renewed Certificate.

#### Transaction Limits

Funds may not be added to, and principal may not be withdrawn from, a Certificate Account after it is opened, except at maturity or during the grace period following maturity. Special Certificate Accounts with separate account agreements may allow for additional deposits or withdrawals. Only withdrawal, deposit, and/or change in term is allowed at maturity or during the grace period. You may withdraw credited dividends at any time, but any other withdrawals prior to maturity will be subject to penalty. Other conditions may exist, such as deposit requirements for new money only, and will be disclosed separately.

#### Early Withdrawal Penalties

If you withdraw principal from a Certificate Account prior to maturity, an early withdrawal penalty will apply. If you withdraw funds within six days of opening a certificate, a penalty of seven days' dividends will be assessed. If the penalty involves principal (except for IRA certificates where the penalty will not involve principal), all other early withdrawals are on the principal with terms up to 47 months will equal the lesser of dividends earned on the Certificate or 90 days' dividends. Early withdrawal penalties on certificates opened after June 1, 2005 with terms of 48 months or longer will equal the lesser of dividends earned on the Certificate or 180 days' dividends.

#### Holiday Club Accounts

##### General Information

This account lets you save money for the holidays. To qualify you must have an opening deposit of \$20 and \$20 deposited automatically every month. You can establish a Holiday Club Account any business day of the year, and it will mature on November 15 each year. The dividend rate and APY will be fixed from the day you establish your Holiday Club Account to the maturity date of November 15 each year. Dividends do not compound but are credited at maturity. Dividend rates and APYs offered on new Holiday Club Accounts can change at any time at the Board's sole discretion. Current dividend rates and APYs are shown on the current Initial Account Disclosure available at our branches and on our web site. You cannot pledge this account as security for a loan or use it for overdraft protection.

#### Transfer and Renewal at Maturity

On the maturity date, funds will transfer to a Credit Union checking or savings account you designate. Automatic deposits will continue after the maturity date unless you cancel them, and be added to the Holiday Club Account at the then-current dividend rate and APY. Call the Credit Union at (415) 442-6200 on November 15 to find out the dividend rate and APY as of that date for new Holiday Club Accounts.

#### Transaction Limits

You can make deposits at any time. Funds may not be withdrawn except at maturity.

#### Early Withdrawal Penalties

If you withdraw funds within the first six days of establishing a Holiday Club Account, you will pay a penalty of 7 days' dividends, even if the penalty will invade principal. If you otherwise withdraw funds prior to maturity, you will forfeit all dividends earned on the account. If you cease making automatic deposits at any time prior to maturity, we can close this account and you will

forfeit all dividends.

## HEALTH RETIREMENT ACCOUNTS (IRAs) AND HEALTH SAVINGS ACCOUNTS (HSAs)

### General Information about IRAs

Puerto Rico offers Certificate IRA Accounts, Money Market IRA Accounts, and Treasury IRA Accounts. IRA terms are generally the same as for non-IRA accounts of the same type. Traditional IRA, Education IRA and Roth IRA accounts are available. IRAs cannot be pledged as security for loans. We can discontinue any IRA product by giving you six months' advance notice. If we do this, we must notify us of another IRA into which you would like us to transfer the funds. If we do not hear from you, we will place the funds in another IRA designated account. IRAs are also subject to a separate additional agreement and disclosure. The following general rules apply to IRAs: (a) there is no minimum balance requirement (unless specifically stated, the minimum balance for IRA Certificates and the Treasury IRA Account is \$500); (b) you can receive an IRA contribution during the first seven days after the end of the year; it is a Certificate, in which case a penalty equal only to dividends earned may be assessed; and (c) early withdrawals may be subject to tax penalties imposed by the Internal Revenue Service in addition to any credit union-imposed penalties - consult your tax advisor.

#### Treasury IRA Account

The terms of this IRA account are identical to the terms of the Treasury Income Account except (a) as noted in General Information About IRAs; (b) the minimum balance is \$500 and (c) authorized payments out of the account are not available.

#### Guaranteed Income IRA

(No new accounts accepted at this time)

The terms of this IRA account are identical to the terms of the Treasury Plus Account except as noted in the General Information About IRAs and (a) the floor dividend rate is 6.00%, and (b) authorized payments out of the account are not available.

Effective August 1, 2006, there will no longer be a floor dividend rate on this account.

#### IRA Special Share Account Certificate —

##### Series I — 1 Year

(New accounts and deposits to existing accounts not accepted at this time.)

The dividend rate is fixed to maturity. The dividend rate and APY will equal the lowest rate and yield the credit union is offered on Tereb Savings Accounts when the IRA Certificate is opened plus 1.00% (100 basis points). Dividend rates, APYs, and the formula used to determine them on new IRA certificates can change any time at the Board's discretion. Dividends are compounded and credited quarterly on the first day following the end of a calendar quarter. There is no minimum opening deposit or minimum balance requirement to open this account. Except as stated here and in the General Information About IRAs, the rules for IRA Certificates are the same as those stated in APY Assumptions, Renewal at Maturity, Transaction Limits and Early Withdrawal Penalties under Certificate Accounts.

#### IRA Special Share Account Certificate —

##### Series K — 2.5 Year

(New accounts and deposits to existing accounts not accepted at this time.)

The dividend rate and APY will equal the lowest rate and yield the credit union is offered on Tereb Savings Accounts when the IRA Certificate is opened plus 2.00% (200 basis points). Dividend rates and APYs are set at the end of each quarter and can change quarterly or more frequently at the Board's discretion. Otherwise, the terms of this IRA are identical to the terms of the Series I - 1 Year IRA.

#### Health Savings Account (HSA)

To open a Health Savings Account you must complete a separate HSA application and meet the eligibility requirements set by the Treasury Department and IRS. Contributions to and payments from your HSA are subject to the rules determined by the IRS. Your use of the Health Savings Account is also governed by a separate HSA Agreement. Contributions and

payments are reportable to the IRS.

Dividends are credited and compounded on the first day following the end of a calendar month. There is no minimum balance required to open and to earn dividends. The dividend rate and APY are set monthly by the Board at their sole discretion. For current dividend rates and APYs, please see the current Initial Account Disclosure, available at our branches and on our web site.

You can access funds from your Health Savings Account by writing Health Savings Account Checks, using your Health Savings Account Check Card, and by withdrawing by teller check drawn from your Health Savings Account. Use of the Health Savings Account Checks are governed by the same check processing rules and fees as disclosed for Puerto Rico Checking Account (such as NSF, Check Copies, Check Printing and Stop Payment).

Use of the Health Savings Account Check Card are governed by the same Check Card processing rules and fees as disclosed for Puerto Rico Check Card (such as Check Card Transactions Copies and Stop Payment).

Funds in this Account are not available for overdraft protection to other accounts. If you write a check or use your Health Savings Account Check Card for more than the funds available in your Health Savings Account, we may at our discretion overdraw your available balance in order to complete the transaction. This may result in a Courtesy Fee or a Cash Advance fee (please see Fee Schedule). In addition, any funds transferred to your HSA to cover the payment of a check or a Check Card transaction will be considered to be a Contribution to your HSA.

This account cannot be pledged as security for a loan.

There is a monthly fee for the Health Savings Account. This fee may be waived at our discretion. See the Fee Schedule for the Health Savings Account.

## CHECKING ACCOUNTS

### Interest Checking Account

The dividend rate and APY are variable and can be adjusted by the Board at their sole discretion at any time. For current dividend rates and APYs, please see the current Initial Account Disclosure, available at our branches and on our web site. A \$10 minimum deposit is required to open an Interest Checking Account. You must maintain an average monthly balance of \$500 in your Interest Checking Account or you will be charged a monthly fee (see the Fee Schedule). There is no minimum balance in the Interest Checking Account to earn dividends. Dividends are compounded and credited monthly on the first day following the end of a calendar month. See the separate Fee Schedule for other fees applicable to checking accounts.

### Free Checking Account

The Free Checking Account has all of the same terms and conditions as the Interest Checking Account, with the following exceptions. This checking account does not pay dividends. There is no minimum balance requirement to maintain the account. The minimum balance to open the account is \$10. The account is exempt from the Minimum Savings Balance Fee. There is no monthly fee, but fees for special handling and services such as check printing apply. See the separate Fee Schedule for fees applicable to Checking Accounts.

### General Checking Account Terms

The following terms apply to all Credit Union Checking Accounts. These terms are in addition to the terms in the GENERAL AGREEMENTS OF MEMBERS and YOUR CREDIT UNION SHARE ACCOUNT sections of this Handbook.

You must apply for and be approved for a checking account. Our review may include checking your credit and/or account histories with consumer reporting agencies such as credit bureaus or CheckSystems.

### Payments on Checks

We will make payments on current checks drawn on available funds in your Checking Account unless signed by any person authorized on your membership authorization. We will only honor checks signed and endorsed by us, on a check printed by us and given to you for your use or in a form approved by us. Checks must be made in writing and the address printed on your check should be the same address as we have for you on our records. We are not liable for errors caused by checks not approved by us. Stopped checks should



be destroyed or, if retained, disfigured. The carbon copy in the checkbook should be marked "void."

## Governing Law

In handling checking transactions we will be governed by the California Commercial Code, Federal Reserve Board Regulations and our credit union procedures, as changed from time to time.

## Stale Dated Items

The Credit Union is under no obligation to pay a check on which the date is more than six months old. If we do pay it, we will not be liable to you for any costs or damages.

## Overdrafts

You may authorize overdrafts by completing an Overdraft Protection Authorization on your membership authorization card. Unless you tell us otherwise, we will cover overdrafts from the following sources: (a) your Tiered Savings Account, (b) your Money Market Account, (c) your Open-End Signature Loan Account (if you have one), and (d) your advance on your Signature Card Account (if you have one). If there isn't enough money in your Checking Account to cover the check or transfer device (see transactions by you or authorized persons to cover the check or transfer device) we will consider these checks or electronic transfers to be requests for overdraft protection transfers or loan advances. If you authorize more than one overdraft protection source, the Credit Union will have discretion as to which source(s) to access for overdraft protection.

1. Overdraft transfers from your Tiered Savings Account or Money Market Accounts will be in \$50 multiples (or the available balance, whichever is less), up to the available funds in the account. Overdraft transfers from Tiered Savings and Money Market Accounts are limited to six per month.
2. If you have an open-end Signature Loan Account or Credit Card in good standing and with available credit, and you have designated it for overdraft access, you don't have available overdraft protection loan advances by writing checks. Your overdraft protection advances will be posted from your line of credit in multiples of \$100 (or the available credit, whichever is less) to cover your overdrafts in the amount needed. Overdraft advances are governed by the terms of the applicable loan agreement.

3. If you don't have an open-end Loan Account or Credit Card or have exceeded your credit limit, and there is not enough money in the Tiered Savings or Money Market Accounts you have designated as overdraft protection sources, we may return "NSF" (non-sufficient fund) any checks presented for payment to the payee's financial institution. See the Fee Schedule for charges on NSF checks.

4. At our sole option, we may also pay items that overdraw your account from our funds. If we do this, we will assess the Paid Check NSF (Courtesy Pay) Fee disclosed on the Fee Schedule. You must restore any amount by which your account is overdrawn immediately upon our demand. If you prefer that we return items that would overdraw your account rather than paying them, please notify the credit union in writing.

5. Unless you have authorized an overdraft protection source in writing that has sufficient available funds or credit, we are never obligated to pay an item that would overdraw your account, even though we may have accommodated you in this way in the past. Even if you have an established overdraft protection source, we are not obligated to make overdraft protection transfers or advances if you have delinquent loan or account obligations with us.

6. Checks you write on insufficient funds may be re-presented by the payee for payment through the ACH (automated clearinghouse) system if the payee notifies you of this possibility when you write the check. Checks on which the signature is forged, altered checks, checks for over \$2,500, checks returned for reasons other than insufficient funds, or checks re-presented more than 180 days after their original date, are not eligible for ACH re-presentation.

7. You agree that we may offset any negative balance that results from your overdrafting transactions from any deposit that is returned unpaid with the any other Credit Union shares in which you have an interest, unless prohibited by the law or state agreement. If we cannot recover the negative balance in this manner, our right to recover Collection Costs applies.

8. You waive protest and notice of dishonor for nonpayment of deposited returned items.

9. You agree that we can put overdrafts to your accounts in any order we select consistent with the law.

## Stopping Payment on Checks

You can stop payment on any check drawn on your account before the check has been cleared for payment by notifying us orally and/or in writing. If your initial stop payment request is oral, you must follow it up with a written confirmation within fourteen (14) calendar days, or the stop payment request will lapse. Stop payment requests will be processed promptly, but the Credit Union will not be responsible for a check that we pay within the first 24 hours after your stop pay request. Written stop payment requests are valid for only 6 months but may be renewed for additional 6-month periods by giving written notice to the Credit Union within the period during which the stop payment request is effective and paying any required fees.

1. For us to effectively stop payment, we need to know who wrote the check (called the "drawer"), the person or entity to whom the check was payable (called the "payee"), the account number, the date, the check number, and the exact amount of the check. Our computer will search for the check exclusively by the check number and dollar amount. It can read nothing else on the check. If the check number is wrong or if the dollar amount varies by even one penny, we will not find the check and no stop payment will be made.

2. If we fail to carry out a timely stop pay, we will not be obligated to reimburse you if the check paid your valid obligation. If we do reimburse you, the claim for funds against the payee of the check will be assigned to us and you agree to cooperate in collecting the amount wrongfully paid to the payee of the stopped check. Our liability to you is limited to the amount of the improperly paid check.

3. Please see the Fee Schedule for fees applicable to stop pay requests.

## Post Dated Checks

Postdated checks may be cashed if presented by the payee before the date on the check. We will not be liable for the consequences of such early payment, unless you have given us separate notice (the date on the check alone is not sufficient notice) that the item is post-dated and identified the check to us by providing the same information that we require for stop payment requests. Our responsibility for failing to carry out your instructions regarding a post-dated check is the same as if we paid a check over your stop payment order.

## Availability of Funds for Check Writing

Non-cash deposits are made available only after the times specified in the "Funds Availability Policy" section of this Handbook. We consider these deposits uncollected funds until the hold period expires. Please postpone writing checks or attempting withdrawals against these funds, unless you intend to rely on your overdraft protection.

## Lost or Stolen Checks

If your checks are lost or stolen, please tell us immediately. Call us at (415) 442-6280. We recommend that you close your checking account and re-open it with a new name. Even if you do, you must obtain new checks with your account and people who obtain them. If you don't keep your account open under the same number after your checks are lost or stolen, the Credit Union will not be responsible for unauthorized checks paid on your account unless they fall within a sequence of check numbers on which you have stopped payment.

## Immediate Check Payment

Due to new check processing laws that took effect in October 2004, checks you write may clear within a matter of minutes or hours. You should be sure that you have available funds before writing checks. Do not assume that you can write a check and later make a deposit to cover it.

## Prohibition on Pledging Funds

Funds deposited in Checking Accounts may not be pledged as security for a loan.

## Closing Checking Accounts

Unless you have a formal overdraft protection arrangement with us, we can close your Checking Account without prior notice for repeated overdrafts or for your misuse of the account such as check "kiting." We can close your Checking Account at our option if there has been no activity on it for 90 days.

We can close your Checking Account immediately if you fail to meet your obligations to us, you file for bankruptcy and we suffer a loss, or you fail to observe your obligations under any agreement you have with us. We have no obligation to continue to offer you a Checking Account(s) in our opinion, you have not managed your Checking Account(s) in a responsible way.

## Preauthorized Drafts

A preauthorized draft is created when you give someone (such as a telemarketer or a creditor to whom you owe money) your checking account number along with your routing and transit number and authorize them to use the information to debit your checking account for the amount of money you have agreed to pay them. Any preauthorized draft presented to the Credit Union after you have voluntarily given your checking account information to the payee is considered authorized by you, even though you have not signed a check.

## ACH Conversion of Other Checks

Persons to whom you write checks may convert them to electronic fund transfers. This may occur when you write a check to a merchant (called a POP or point-of-purchase entry) or when you send a check to a creditor to pay a bill (called an A/R or accounts receivable entry). Creditors who convert your checks to A/R entries must permit you to opt out of such conversions.

## SPECIAL SERVICES

### Cashier's Checks and Teller's Checks

If you obtain a check drawn on the Credit Union payable to someone other than yourself, the credit union is, under normal circumstances, guaranteeing the payment of the check and should be handled like cash. But that reason we will accept a stop pay request on a Credit Union Cashier's Check or Teller's Check only after we receive a written declaration under penalty of perjury from you and, in some cases, the payee. If the check was lost, stolen or destroyed before you delivered it to the payee, you must sign the declaration. If the check was lost, stolen or destroyed after delivery to the payee, both you and the payee must sign the declaration.

If we receive the stop pay after the check has cleared, we will not be responsible for the loss.

We will not issue a replacement check or credit your account until 90 days after the issue date of a Cashier's Check or Teller's Check. If we issue a replacement before 90 days have passed, we may require that you purchase a Lost Instrument Bond at your expense. If after 90 days have passed and we issue a replacement check or re-credit your account, then we are discharged from further liability. If a holder in due course presents the original check after that time, you must pay the proceeds of the original check to the holder or the financial institution. You agree that if this happens, and you do not pay us the amount of the original check immediately upon our demand, we can deduct the amount of the original check from any credit union account in which you have an interest, and that if you do not have available funds for us to exercise our Right of Offset, our general rights to collect what you owe us will apply.

## Wire Transfers

Wire transfer terms are different from other account agreements and terms. This section of the Handbook constitutes notice to all account owners of the rules regarding wire transfers. Wire transfers sent and received by the Credit Union are subject to the following terms:

We can make wire transfers from your share accounts and will carry out your written instructions. We will also receive wire transfers for you. Wire transfers are subject to the terms of Federal Reserve Regulation J and Article 4A of the Uniform Commercial Code.

1. If we are receiving a wire transfer on your behalf, our responsibility is to carry out the terms specifically as transmitted by the sending financial institution, including any specific security procedure.

2. We will not be liable for damages to you or a third party if we carry out the written instructions in a reasonable manner.

3. We have a right to rely on any account or routing numbers furnished by you as sender or any numbers transmitted with a wire transfer from another financial institution for your benefit with reference to the deposit of the funds received. Any effort we make to assist you in determining transit and routing

numbers for institutions to which you wish to make wire transfers is provided as an accommodation only and accuracy is not guaranteed. You are responsible for the accuracy of names and routing, transit and account numbers on wire transfers you send.

4. We have no obligation to correct erroneous spellings of names or erroneous account numbers in sending or receiving wire transfer proceeds.

5. We will not be liable for indirect, consequential or punitive damages in the event that loss is sustained because we have failed to carry out instructions in a reasonable manner. Our liability is limited to the amount of the wire transfer.

6. Wire transfers will be reflected on your monthly statement. You agree to examine your statement promptly and notify us of any wire transfer errors within 14 days after the mailing date of the statement. If you do not notify us within 30 days of the mailing date of the statement, we will not be liable for any claims, demands or expenses related to the error.

7. You agree that if we receive an erroneous wire transfer to your account, the sending party can reverse the transaction and the amount of the wire transfer will be deducted from your account. We will notify you if this happens. If a wire transfer you receive is reversed, you agree to immediately resolve any resulting overdraft to your accounts upon our demand. If you do not do so, you agree that we can recover any overdraft amount from any Credit Union share account in which you have an interest. You further agree that our rights under Collection Costs above apply if we cannot recover what you owe by exercising our Right of Offset.

8. Unless we tell you otherwise, the cutoff time for wire transfers is 12:30 p.m. for transfers within the U.S. and 10:30 a.m. for international (non-U.S.) wire transfers. Payment orders, cancellations, or amendments received after the cutoff time will be processed during the next business day we are open.

9. Once a wire transfer has been sent, it generally cannot be canceled.

10. A wire transfer requests may be delayed if you give us erroneous information.

11. We can refuse to carry out a wire transfer request or change order if we have reason to believe that doing so will cause us a loss.

12. In sending wire transfers for you, we will follow security procedures. If you make your request to person, we may require photo identification. If you make your request by telephone, we may call you back at your telephone number on our records to confirm the request, and we may also ask you to confirm a telephone request by a signed authorization letter before the wire transfer is performed.

13. If a specific account type is not indicated, wired funds are posted to your Checking Account if you have one, or your Tiered Savings Account if you do not have a Checking Account. It is your responsibility as a member to verify that expected funds are posted to the appropriate account.

## Check Hold Policy

Our policy is to delay the availability of funds that you deposit to your account. During the delay you may not withdraw the funds in cash and we will not use the funds to pay checks that you have written.

## Determining the Availability of Deposits

The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Saturday, Sundays and federal holidays. If you make a deposit before 3:00 p.m. on a day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 3:00 p.m. on a day that we are not open, we will consider the deposit to have been made on the next business day that we are open. If you make a deposit before 12:00 noon at an ATM on a day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit to an ATM after 12:00 noon on a day that we are not open, we will consider the deposit to have been made on the next business day that we are open. The length of the delay in availability varies depending on the type of deposit and is explained below.

## Same-Day Availability

1. Funds from the following deposits are available on the same day we receive them:

- a) Electronic direct deposits
- b) U.S. Treasury checks payable to you

cash. The rest may be withdrawn in cash on Tuesday of the week following the deposit.

### Longer Delays May Apply

We may choose to delay availability for a longer time. If we do, we will notify you in writing and tell you when the funds will be available. If you do not make your deposit in person to one of our employees, or we decide to impose the delay after you have left the premises, we will mail you the notice. If you need your funds right away, ask us when the deposit will be available. We can delay availability for any reasonable amount of time, generally not more than nine business days, if:

1. You reasonably believe a check you deposit will not be paid.
2. You deposited more than \$5,000 worth of checks in one day.
3. You have overdrawn your account repeatedly in the last six months.
4. You redeposit a check that has been returned unpaid.
5. There is an emergency such as failure of communications equipment.

### 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. The first \$5,000 from a deposit of U.S. Treasury checks will be available on the first business day after the day of your deposit. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. Funds from wire transfers into your account will be available on the first business day after we receive the transfer. Funds from deposits of cash and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, travelers and state and local government checks will be available on the first business day after the day of your deposit. If the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth business day of your deposit. If you do not make the deposit 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. If we choose to accept a check as your agent for collection rather than to deposit it, these delay limits do not apply. The money will be posted to your account when we receive it.

### Location of Check Endorsements

Federal law requires all check endorsements to be in the first 1 1/2 inches of the trailing edge of the back of the check. The trailing edge is opposite the left side of the front of the check, the side of the check just behind the address of the financial institution. You will be responsible for any costs or delays the credit union incur because checks deposited to your account do not comply with the endorsement rules.

### Check 21 and Substitute Checks

The Check Clearing for the 21st Century Act, otherwise known as Check 21, took effect in October 2004. This law allows financial institutions to "truncate" clearing checks by creating an electronic image of a check rather than using the original paper check. The electronic image is called a "substitute check." The substitute check includes the front and back of the original check and the legend, "This is a legal copy of your check. You can use it the same way you would use the original check."

If you request original check copies, you may receive a substitute check instead of a copy of the original check. For more information call 415-442-6200 or toll-free at 800-358-8228 (outside CA).

## ELECTRONIC FUNDS TRANSFERS

### Introduction/Scope of Services

Electronic Funds Transfers (EFTs) are payments to, or withdrawals from, your accounts that are started electronically. This agreement applies to transactions initiated with (1) CALL-24 Touch-Tone Home Banking (2) PC-24 Home Banking including bill pay; (3) ATMs (automatic teller machines); (4) Point-of-Sale (POS) terminals; (5) use of VISA® Pateco Check Card at participating merchants; and (6) transfers into and out of your accounts via Automated Clearing House (ACH) such as pension payments by direct deposit, payroll deduction, and automatic payment of regular bills. All EFTs are subject to the

c) Wire transfers will be available on the day we receive them

d) Checks drawn on Pateco Credit Union

e) State and local government checks payable to you

2. If you make the deposit in person to one of our employees, funds from the following deposits are also available the same day we receive them.

a) Cash

b) Cashier's, teller's and certified checks that are payable to you

c) Federal Reserve Bank checks, Federal Home Loan Bank checks, and U.S. postal money orders that are payable to you

3. If you do not make the deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day of your deposit.

### Deposits at ATMs

Funds from deposits (cash or checks) made at ATMs that we do not own or operate (called "foreign ATMs") will not be available until the fifth business day after the day of the deposit. This rule does not apply at ATMs we own or operate. All ATMs that we own or operate are identified as our machines.

### Other Check Deposits

The delay, if any, for personal or business check deposits depends on whether the check is local or a non-local check. To see whether a check is local or non-local, look at the routing number on the check.

### Identifying Routing Numbers

On personal checks, the routing number is the first series of numbers in the lower left-hand corner of the check. On business checks, the routing number should be the second block of digits at the lower left of the check. The first four numbers of the block identify the region in which the check will clear. Of these, the first two numbers are critical. For example, if the branch is in the San Francisco Bay Area, checks with routing numbers 1210 through 1213 and 3210 through 3213 are local checks clearing through the Federal Reserve in San Francisco. Deposits made in our Bakerfield branch that have routing numbers 1220 through 1224 and 3220 through 3224 are the Chicago area checks that clear through Los Angeles. If you make a deposit to 6112, 0719, 2710 through 2713, or 2719, have routing numbers 0710 through 0713, 0719, 2710 through 2713, or 2719, are local checks clearing through Chicago. If a delay is imposed, our policy is to make funds from these checks available as follows.

### Local Checks

The first \$100 from a deposit of local checks will be available on the first business day after the day of your deposit to pay checks you have written to others. All of the remaining funds will be available on the second business day after the day of your deposit to pay checks you have written to others. The first \$100 will also be available for withdrawal in cash on the first business day after the day of your deposit. An additional \$400 of the deposit may be withdrawn in cash at or after 5:00 p.m. on the second business day after the day of your deposit. All of the remaining funds will be available for cash withdrawal on the third business day after the day of your deposit.

For example, if you deposit a local check for \$700 on a Monday, \$100 of the deposit is available on Tuesday to pay checks to others and to withdraw cash. The rest is available to pay checks on Wednesday. At or after 5:00 p.m. on Wednesday you may withdraw another \$400 of the deposit in cash, and you may withdraw the rest in cash on Thursday.

### Non-Local Checks

The first \$100 from a deposit of non-local checks will be available on the first business day after the day of deposit to pay checks you have written to others. All of the remaining funds will be available on the fifth business day after the day of your deposit to pay checks you have written to others. The first \$100 will also be available for withdrawal in cash on the first business day after the day of your deposit. An additional \$400 of the deposit may be withdrawn in cash at or after 5:00 p.m. on the fifth business day after the day of your deposit. The rest will be available in cash on the sixth business day after the day of your deposit. For example, if you deposit a non-local check for \$700 on Monday, \$100 of the deposit is available on Tuesday to pay checks to others and to withdraw cash. The rest is available to pay checks on Monday the following week. At or after 5:00 p.m. on that Monday, you may withdraw another \$400 of the deposit in

terms governing the credit union Accounts you access electronically.

## Terms Applicable to All EFTs

### Eligibility

To qualify for EFTs, you must be a credit union Member in good standing, and your checking account history with the credit union and other institutions must be satisfactory. To qualify for a Pateco Check Card, you must have a credit union checking account.

### Security of Your Accounts:

#### Keep Your PIN Secret and Your Cards Safe

You can't use an ATM Card or Pateco Check Card at an ATM or point-of-sale terminal without keying your PIN into the ATM or terminal after inserting your Card into the machine. Your randomly selected PIN will be given to you when you request an ATM Card or Pateco Check Card.

You can't use CALL-24 Touch-Tone Home Banking or PC-24 Home Banking without your PIN. We will issue a random PIN to you when you sign up for CALL-24 Touch-Tone Home Banking or PC-24 Home Banking. You can customize your PIN by following the instructions on the CALL-24 Touch-Tone Home Banking system or PC-24 Home Banking.

To keep your PIN secret, please follow these simple rules. Memorize them, just as you learn frequently called telephone number. Do not keep a written record of your PIN. If you write your PINs down, do so in a way that they will not be recognized as PINs, and do not write them on your ATM Card or Pateco Check Card or near the telephone or computer in your home or office. Don't let anyone use your ATM Card or Pateco Check Card or watch you key in your PIN. If you suspect that an unauthorized person has obtained your PIN, contact the day after the day of your deposit and request that your old PIN be canceled and a new PIN be issued. Remember that a PIN is not required to use a Pateco Check Card for signature transactions. Treat your Pateco Check Card as carefully as you treat cash.

### Consent to Terms

You consent to the terms of this agreement by requesting, keeping, signing, using, or allowing others to use, any EFT access device (such as an ATM Card, Pateco Check Card, CALL-24 Touch-Tone Home Banking or PC-24 Home Banking). You continue to be bound for all transactions resulting from the use of EFT devices until you give us written notice to deactivate the device and, if it is a physical device such as a plastic card, return it to us.

### Fees

Any fees that apply to use of EFTs are shown on the Fee Schedule. In addition, certain possible fees are described below in general terms.

### Responsibility for Transactions

1. If you authorize us to issue a duplicate ATM Card or Check Card to someone, or if you give your Card or PIN to another person, you are authorizing that person to withdraw funds and perform other transactions on your accounts covered by this agreement, regardless of any limits to which you and the authorized user have agreed. This rule also applies to any other EFT service that may become available in the future.

2. Any person who applied for the ATM Card, Pateco Check Card, or PIN, or signs an ATM Card or Pateco Check Card, or uses an EFT device for transactions, is equally obligated (jointly and severally) with any other such person to meet the terms of this agreement.

3. You are also obligated to repay any charges resulting from the use of any EFT device by another person with your express or implied permission, whether or not the person stays within the limits of use you set for them. We are not subject to agreements between you and other people limiting their use of your EFT devices.

4. Any persons who use an EFT device are also obligated to repay the Credit Union for all charges incurred because of their use of the access device.

5. You understand and agree that if you or anyone you authorize to use an EFT device gives conflicting instructions on an electronic keypad (such as a computer or ATM keypad) and a deposit slip or other written instruction, the Credit Union will follow the instructions given on the electronic keypad.

6. You agree that if you or anyone acting with you uses an EFT device with

fraudulent intent, we consider that transaction to have been authorized by you.

7. All EFTs are subject to Credit Union verification.

## Documentation of Transactions

Each time you use an ATM Card or Check Card at an ATM, you will receive an acknowledgment receipt describing the transaction. You will also get a receipt when you use your Card at a Point of Sale terminal or if you have a Check Card, if you use it for a signature transaction. Keep these receipts to update your records and verify your monthly statements on which these transactions will also appear. CALL-24 Touch-Tone Home Banking and PC-24 Home Banking transactions are reflected only on your monthly statement. If you have PC-24 Home Banking, you will be able to review your account status at any time.

## Excess Withdrawals

Withdrawals or transfers not backed with actual available funds in your credit union Checking or Tied Savings Accounts. If you have been approved for overdraft protection on your Checking Account, we will transfer funds from your designated overdraft protection account source or make a loan advance sufficient to cover any negative Checking Account balance due to EFT withdrawals up to your available account balance or credit limit, depending on the overdraft protection source(s) you have. Overdraft protection is only available on Checking Accounts. Remember that Savings Accounts designated as overdraft protection sources are subject to a limit of six overdraft transfers per month. If you have more than one authorized overdraft protection source, we will have discretion as to the order in which sources will be accessed to cover overdrafts. Unless you have authorized overdraft protection, it will be at the Credit Union's discretion whether to cover an EFT that would result in an overdraft on a Checking Account. It is your responsibility not to attempt to withdraw cash against deposits that have not yet cleared in the transactions by the law and Credit Union procedures. In rare cases, system malfunction may result in your being able to electronically withdraw funds from a Checking or other account that does not have sufficient funds to cover the transaction, and on which you do not have overdraft protection. If this happens, you are responsible for restoring any amount by which your account is overdrawn. See Overdrafts in the Checking Account Terms section of this Handbook for more information.



information.

## Unauthorized Transactions — All EFTs

### Your Liability for Unauthorized Use

Tell us AT ONCE if you believe that your ATM Card, Pateco Check Card or PIN, has been lost or stolen or otherwise made available to an unauthorized person, or that someone has transferred or may transfer money from your account without your permission. Call us at 415-442-6200 or tell a credit union staff member. You can also write us at Pateco Credit Union, ATN EFT Department, 156 Second Street, San Francisco, CA 94105, but telephoning or mailing us is the best way to keep losses down. In addition, if your Pateco Check Card is lost or stolen, you must call (415) 442-6200 to block its access to ATMs. You could lose all the money in your account, plus your maximum overdraft line of credit if you fail to promptly report unauthorized use. CALL-24 Touch-Tone Home Banking or PC-24 Home Banking, or certain unauthorized use of your Check Card.

If you believe your ATM Card, Pateco Check Card or your PIN has been lost or stolen or otherwise made available to an unauthorized person, and you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50, if someone used your Card and/or PIN without your permission.

However, if you DON'T tell us within two (2) business days after you learn of the loss or theft of your Card and/or PIN, or other unauthorized use, we will not be able to limit your liability. If you do not tell us within two (2) business days after you learn of the loss or theft, you may not get back any money you lost after sixty (60) days. If we can prove that we could have stopped someone from taking the money if you had told us in time. That means you could lose all the money in your account plus your maximum overdraft line of credit.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. If we can prove that we could have stopped someone from taking the money if you had told us in time. That means you could lose all the money in your account plus your maximum overdraft line of credit.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we may extend the time periods.

If unauthorized use of your Check Card, your liability is limited to that indicated in the separate Special Check Card Terms section below.

### Authorized Users

Please remember, any person who receives an additional ATM Card or Check Card at your request, or to whom you give your Card and/or PIN, or whom you permit (either by express or implied permission) to use your PIN or Card would be able to withdraw all of the money in your account. We refer to such persons as authorized users, and you agree that all authorized users may withdraw funds from your accounts with the ATM Card, Pateco Check Card, or PIN. The only way you can stop an authorized user from withdrawing funds from your accounts is to notify us to cancel your EFT device. You remain liable for any unauthorized use of your EFT devices that occurs before you tell the credit union to cancel them.

### Credit Union Liability

If we do not properly complete a transaction according to our agreement with you, we will be liable for your direct losses or damages. However, there are some exceptions.

1. We will not be liable, if:
  - a. through no fault of ours, your account does not contain enough money, or you don't have available credit, to make the transaction;
  - b. the ATM where you are making the transaction does not have enough cash; the equipment was not working properly and you knew about the breakdown when you started the transaction;
  - c. your ATM Card, Check Card or PIN has been reported lost, stolen or missing and we have blocked the account;
  - d. circumstances beyond our control such as fire, flood, electrical failure, or malfunction of the central data processing facility prevent the completion of the transaction despite our reasonable precautions; or
  - e. there are other lawful exceptions established by us and you are given proper notice of them.
2. In no event will the Credit Union be liable for consequential, indirect costs or damages or for punitive damages. Our liability is limited to the amount of the transaction.
3. The Credit Union will carry out instructions given to us electronically, whether through the ATM, CALL-24 Touch-Tone Home Banking, PC-24 Home Banking, or a Point of Sale terminal, or in writing such as through a preauthorized transfer instruction or Check Card signature transaction. We will not incur liability for doing so in a reasonable manner. You agree to indemnify and save the Credit Union harmless from all costs, claims, damage, or liability that we sustain as a result of carrying out in a reasonable manner instructions received from you or any authorized user through an ATM, POS terminal, signature transaction, PC-24 Home Banking, or any other EFT service that becomes available in the future.
4. The Credit Union may arrange for the availability of ATMs at various locations with access during non-business hours for the convenience of its Members. However, ATM sites are not subject to our control. You assume the risk of using them since the Credit Union does not in any way warrant the security or safety of any location. The Credit Union is not responsible for wrongful acts committed by anyone who is not an authorized agent or employee of the credit union regarding your use of ATMs. The Credit Union will not be liable for consequential damage that you claim results from our failure to complete a transaction.
5. Security: Avoid using ATM machines alone at night or at sites that appear to have the potential for assault or robbery. Have any deposit voucher filled out before you arrive at the ATM. Put your money away and leave the site as soon as you have completed the transaction. Don't key your access code into the machine when someone is in a position to see the number. Retain all transaction receipts and enter them in your records. Promptly verify all transactions against your periodic statement and report any apparent discrepancies to us.

### Change in Terms — Cancellation

1. The Credit Union may change the terms of the EFT section of this Handbook, including the types of EFTs available, by mailing or delivering a written notice

or amended Handbook to you at your last known address on our records for the account. When we change the terms of EFTs, we will give you at least 21 days' written notice. You agree that we may immediately terminate your EFT services without prior notice if any of the following occur: (a) you (or any authorized user of your ATM Card, Check Card, or PIN) breach this or any other agreement between us (including loan agreements); (b) you have reason to believe that there has been or may be an unauthorized use of your ATM Card, Check Card or PIN; (c) there are conflicting claims to the funds; (d) you or any authorized signer on your account requests us to do so; (e) it is reasonably necessary to protect the security of the Credit Union or your accounts; (f) you deposit non-negotiable items at ATMs; or (g) you withdraw funds at a time when funds are not available in your Credit Union accounts accessed via EFT and you do not have an available source of overdraft protection.

2. Your ATM Card and Pateco Check Card are the property of the credit union and you agree to return them to us upon request.

3. We can cancel your ATM Card or Check Card or refuse to issue a new Card if the Card has had no activity in the last six months.

### Delayed Availability of Deposits

Availability of funds deposited at ATMs may be delayed. Please refer to the "FUNDS AVAILABILITY POLICY" section above. You are responsible for not attempting to use EFT devices to withdraw funds before they become available. Reference to the FUNDS AVAILABILITY POLICY will help you comply with this rule.

### Additional Terms

1. If an ATM is unable to complete a transaction because of the failure to key in the proper PIN, for your protection the ATM Card or Pateco Check Card may be retained by the ATM.
2. Business days are Monday through Friday. The credit union may be open to provide limited services on other days, but we do not consider those days "business days" for that term is used in this disclosure.
3. If your use of EFT services results in your becoming indebted to the Credit Union, and you do not pay what you owe us, you agree that Your Consent to Our Right of Offset and our right to recover Collection Costs, as explained above in this Handbook, will apply.

### In Case of Errors or Questions About Your Electronic Transfers

If you think that an electronic transfer shown on your statement is wrong, or if you need more information about a transfer, call us at (415) 442-6200 or write to us at Pateco Credit Union, Attn: EFT Card Services, 156 Second Street, San Francisco, CA 94105. Please tell us (a) your name, (b) your account number, (c) the date of the questioned transaction, (d) the amount of the questioned transaction, (e) the type of the questioned transaction and (f) why you believe there is an error. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared. If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days. We will tell you the results of our investigation within ten (10) business days (twenty (20) business days for new accounts) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days (ninety (90) business days for Point-of-Sale (POS) transactions, transactions involving foreign countries, or new accounts) to investigate your complaint or question. If we decide to do this, we will re-credit your account within ten (10) business days (twenty (20) business days for new accounts) for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If your complaint or question relates to a claim of unauthorized use of your Pateco Check Card, and your account is not a new account, we will provisionally re-credit your account within five (5) business days. A "new account" is one open thirty days or less. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not re-credit your account. We will send you a written explanation of the results of our investigation within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation. If we decide to reverse a provisional credit, we will notify you, and will pay any items that overdraw a provisional credit for 5 business days after we send you this notice without incurring an overdraft fee, but only to the extent the overdrafts are equal to or less than the amount of the provisional credit we deducted from your account. If any item overdraws

your account by more than the amount of the provisional credit, you will be charged an overdraft fee. You agree to immediately restore to the credit union the amount of any overdraft on your accounts.

### CALL-24 Touch-Tone Home Banking

CALL-24 lets you access your accounts electronically by touch-tone telephone from anywhere in the United States. We will give you instructions on how to change your password and conduct transactions on your account by phone.

### Available CALL-24 Services

By keying in your PIN and the proper command on a touch-tone phone, you will be able to complete routine transactions such as account transfers, loan payment transfers, withdrawals or loan advances (in the form of a check payable to you and mailed to you at your address in our records), and balance inquiries. The CALL-24 menu will tell you all available services. Generally, CALL-24 Touch-Tone Home Banking is available seven days a week, twenty-four hours a day. The only time you will not be able to access your account is during computer system maintenance.

**Limitations on CALL-24 Touch-Tone Home Banking Use**  
All transactions are limited to available funds in your Accounts plus any overdraft protection you may have available on Checking Accounts. CALL-24 Touch-Tone Home Banking transfers out of your non-transaction accounts are limited by Federal Regulation to six per month. See the Deposits and Withdrawals section of this Handbook for information on which accounts are non-transaction.

CALL-24 Cross-Account transfers are available only if you have completed a CALL-24 Cross Account Access Application and agree to the terms and conditions of the agreement included in the Application. All accounts accessed by Cross-Account Access must have the same owners. All owners of affected accounts must sign the Application to authorize Cross-Account Access.

### PC-24 Home Banking (Including Bill Payer)

#### Available Services

If you have a personal computer with a modem and we approve your application for computer access to your accounts using PC-24, you can use PC-24 Home Banking with your CALL-24 secret PIN to (a) obtain account information related to any of your Pateco share or loan accounts, including current balances, checking account history, share dividends and rates, loan interest and balances, and payroll and automatic deductions; (b) transfer funds between accounts if you have authorized the transfers in writing; (c) withdraw funds from savings or checking accounts or obtain loan advances in the form of a check payable to you and mailed to you at your address in our records; (d) transfer money to make Pateco loan payments (except on mortgage loans) from any savings or checking account of yours; and (e) make bill payments to participating merchants. PC-24 Home Banking is generally available 24 hours a day, seven days a week, although the system may from time to time be down for maintenance.

For your information, you can also use PC-24 Home Banking to (1) download account and loan statements; (2) obtain and submit loan applications; (3) receive credit decisions; (4) sign loan documents and authorize us to disburse loan proceeds to you or any payee you designate (not available on real estate secured loans); and (5) establish new share accounts (subject to deposit or transfer of earned funds, the joint owner combination will be the same as that on the Member's Trend-Savings account). The services listed in this paragraph are available through PC-24 Home Banking, but are not considered "electronic funds transfers."

### Limitations on PC-24 Home Banking

All transactions are limited to available funds in your accounts plus any overdraft protection you may have available on checking accounts. PC-24 Home Banking transfers and Bill Payer payments out of your non-transaction accounts are limited to six per month. See Deposits and Withdrawals above for more information.

### Other Bill Payer Terms

With Bill Payer, you request bill payment transfers to creditors that we have designated in the User Instructions and creditors that you authorize and for whom we have the proper vendor code. We cannot process bill payment

requests without complete information. We will withdraw the designated funds for bill payment by 9:00 a.m. on the date you select for payment. We will process the payment within one business day of the date you select for payment. You must allow sufficient time for vendors to process your payment, after they receive the transfer from us. Please allow as much time as you would if you were sending your payment by mail. We cannot guarantee that any payment will be collected to your account by the vendor. You must take up any disputes on this subject directly with the vendor, unless we failed to follow your instructions in a reasonable manner. There is no monthly fee for Bill Payer that provides up to 20 bill payment transfers per month. Additional transfers in a month are subject to additional fees (see the Fee Schedule).

### PLASTIC CARD EFT ACCESS

#### Available ATM Services

At select ATMs, you can use your PIN and a Pateco ATM Card, Pateco Check Card, or Pateco VISA® and MasterCard® Credit Cards to (a) make deposits to your accounts at select ATMs; (b) withdraw cash up to the lesser of your available funds or the daily limit, which may be up to \$500 per day from your Trend-Savings or Checking Accounts; (c) transfer funds; (d) obtain cash advances (designated upon lines of credit you have (if so disclosed in the applicable loan agreement)); and (e) make balance inquiries. ATM service is generally available 24 hours a day, seven days a week, but advances may need to be cashed down for maintenance from time to time. Cash advances from credit card lines of credit are subject to a cash advance fee (see the Fee Schedule). Your daily limit may be less than \$500 based on the type of card issued to you and will be disclosed to you in writing at the time your card is issued.

### Fees for ATM and Check Card Services

Transactions made at ATMs that we do not own or operate (call "foreign ATMs") are subject to a fee (see the Fee Schedule). The first four transactions made per month at a foreign ATM are free if you have at least one direct deposit of \$100 or more per month to your account.

If you use a Check Card or ATM that we do not own or operate, the ATM owner or ATM network may also charge a surcharge fee. The surcharge fee must be disclosed to you, on the ATM screen and on the machine, before you complete your transaction. You will have an opportunity to cancel the transaction before the surcharge fee is charged.

Pateco charges a fee for each point-of-sale transaction. The merchant may also assess a fee, which must be disclosed to you before you complete the transaction.

You will be charged an ATM Deposit Adjustment fee when you do not indicate the exact deposit amount on deposits made through the ATM (see the Fee Schedule).

### Available POS Services

You can use ATM Cards or Pateco Check Cards with your PIN at merchant POS terminals on the EXPLORE and INTERLINK networks to pay for goods or services and obtain extra cash. Your total combined purchase and cash from POS terminals cannot exceed \$2,500 per day and may be less based on your card's daily limit. POS transactions will be deducted from your Checking Account only.

### Available Transactions at Financial Institutions

You can present your ATM Card or Pateco Check Card and PIN at Pateco offices and at CU Service Centers to make the transactions listed in the credit union Service Centers section above. You can also present your Pateco Check Card at financial institutions that offer VISA cash advances to obtain a cash withdrawal from your Checking Account by signing a cash advance draft.

### Available Check Card Merchant Transactions

You can use your Pateco Check Card to access your Checking Account to purchase goods and services and obtain cash from participating merchants on signature transactions, up to the lesser of the available balance in

## Special Terms Applicable to the Check Card

### Not a Credit Card

A Pactiv Check Card bears the VISA logo, but it is not a Credit Card. A Pactiv Check Card enables you or anyone you authorize to use the Pactiv Check Card to order us to make payments from your credit union checking account without withdrawing cash. Use of the Pactiv Check Card authorizes us to charge your Checking Account for the full amount of the transaction plus any applicable service charges, as soon as the transaction posts to your account. There is no deferred payment as there is with a Credit Card.

### Effect of Use on Available Checking Account Balance

Your Checking Account will usually be debited approximately three business days after the date you use the Check Card for a signature purchase or signature cash withdrawal. However, the amount of such transactions will be held from available funds from the date of the transaction and will not be available for any other use.

### Acceptance Problems

Although you have sufficient funds in your Checking Account to cover a requested withdrawal, it may be possible that an ATM, merchant, financial institution or other entity that uses the Check Card will not be able to determine your actual balance. The Credit Union will not be liable for the refusal or inability of any such ATM or entity to allow you to use your Check Card or for their retention of your Check Card.

### Checking Account Terms Apply to Check Card

Use of the Check Card will be treated as though it were a check and will also be governed by the Checking Account terms in this Handbook (including any provision for collection you have available), except that (a) we may charge without limit the Checking Account in any order we determine consistent with the law, and if funds are not sufficient to cover all withdrawals, we may pay Check Card withdrawals and disburse regular checks, or vice versa; and (b) we cannot honor stop payment requests on Check Card transactions.

### Check Card Merchant Dispute Rights

Check Cards fall under Federal Reserve Regulation E, not Federal Reserve Regulation Z, because they are debit cards, not credit cards. Unlike Regulation Z, Regulation E does not give you any special rights if you have a dispute with a merchant regarding the goods or services you purchased with a debit card.

However, VISA operating rules give you certain rights to dispute merchant transactions. You must first make a good faith effort to resolve the dispute directly with the merchant. If you are unable to resolve the dispute directly with the merchant, notify us at once. You must tell us within 60 days of the date on which we sent you the FIRST statement on which the disputed transaction appeared. Include copies of any documents that reflect your efforts to resolve your dispute with the merchant.

We will arrange to have the dispute investigated to determine whether you have the right to have your account credited for the amount in dispute. We will, at a minimum, provisionally re-credit your account for the amount of your dispute so that you will have use of the funds within 10 business days (20 business days for new accounts). It may take up to 45 days (90 days for post-sale transactions) to make a determination. If you do not submit your dispute in writing within 10 business days after we ask you to do so, we are not required to credit your account during the investigation. If it is determined that you are entitled to a credit to your account, we will post it (or change a provisional credit to a permanent credit) within 1 business day of the determination.

If VISA operating rules do not allow a credit to your account, any amount for which your account was provisionally credited will be deducted from your account. Your rights to dispute merchant transactions through us are limited to those provided by VISA's operating rules.

### Foreign Check Card Transactions

For Check Card withdrawals and purchases in a foreign currency or foreign country, the exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa International from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate

Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition, Visa charges Pactiv a 1% international Service Assessment for each foreign country or foreign currency transaction, and Pactiv will pass this 1% charge on to you.

### Merchant Credits

Merchants and others who honor the Check Card may give credit for returns or adjustments. When we receive the credit from the merchant or other entity, we will credit your Checking Account for that amount.

### Liability for Unauthorized Use of the Check Card

You agree to notify us at once of the loss, theft or other actual or possible unauthorized use of your Check Card PIN. You will generally have no liability for unauthorized use of your Check Card. However, if you are grossly negligent in handling your Card or PIN, you may be liable for up to \$50 in unauthorized use. In addition, if your statement shows one or more transactions that you did not make, and you do not report any unauthorized use to us within 60 days after we sent you the first statement on which they appeared, you will be responsible for any unauthorized use that occurred after the end of the 60-day period. As a member-owner of the Credit Union, you should know that it benefits all members if losses that the Credit Union absorbs on unauthorized Card use claims are kept to a minimum.

You agree to cooperate in our investigation of the circumstances surrounding the unauthorized use of your Card.

### Right to Deny Check Card Transaction Requests

Check Card fraud presents a risk of loss to the credit union. To protect all Members of the credit union, we may from time to time block the purchase availability of the Check Card.

### Limitations on Check Card EFT Transactions

In addition to the daily limits indicated above, individual merchants and ATMs may limit the amount of purchases or withdrawals you can make in a day. All transactions are limited to the available balance in the account accessed plus any overdraft protection that may be available on Checking Accounts. Your total Check Card transactions cannot exceed \$2,500 per day. Some types of Check Card transactions have lower daily limits outlined above.

Do not deposit coins into the ATM. Do not deposit any non-negotiable items into the ATM.

### Plastic Credit Cards

Please see the OPEN END LOAN AGREEMENT AND Credit Card AGREEMENT AND DISCLOSURE in this Handbook for information on using your Pactiv VISA and MasterCard Credit Cards at ATMs, to obtain cash advances on your Credit Cards at financial institutions, and for merchant transactions.

### AUTOMATED CLEARINGHOUSE (ACH) SERVICES

ACH transfers are regular automatic deposits into your account, such as direct deposit of your payroll or retirement benefits, and regular automatic payments out of your account, such as transfers to pay health club dues. ACH transfers will occur only if you authorize the originating company in writing. You agree to the additional agreement and disclosures specified in the separate ACH form.

Although you can call the Credit Union for information about the transfer, your only documentation of the transfer will be an entry on your periodic statement.

### Available ACH Services

ACH may be used to make deposits, to make loan payments, and to pay bills on dates and in amounts that you specify.

### Preauthorized Debits (Withdrawals)

You may arrange with Pactiv and other third parties in advance to have regular preauthorized electronic payments, such as mortgage payments or insurance premiums. If transfer date falls on a holiday, the transfer will take place on the prior business day.

If you have authorized Pactiv to initiate debits from your account at another institution, and debits are returned for the second time, we will cancel your

### authorization.

If you receive discounted interest rates because you meet one or more of the conditions stated in Schedule 1 (such as making automatic loan payments), your ceasing to meet that condition will terminate the discounted rate during the month in which the conditions are not met. (Please see OPEN END LOAN AGREEMENT).

### Preauthorized Credit (Deposits):

Upon instruction of your employer, the Treasury Department, or other financial institution, the Credit Union will accept direct deposits of your paychecks or of federal recurring payments, such as Social Security. If you have arranged to have a direct deposit made to your account at least once every 60 days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling (415) 442-6200.

### Limitations on ACH Services

For deposits, the payor (the person or entity that pays you money) must offer direct deposit. For payments, the creditor (the person or entity to whom you pay money) must accept payments via ACH transfer. ACH payments out of your non-transaction account are limited to six per month (see Deposits and Withdrawals above for further information).

### Right to Stop ACH Payments

If you have preauthorized ACH payments out of your account, you can stop any of these payments by calling the Credit Union at (415) 442-6200, or by writing to PO Box 7788, San Francisco, California 94120-7788, in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. We may also require you to complete Pactiv's ACH Stop Payment form and deliver it to us within fourteen (14) days. If you fail to confirm your oral request, it may lapse. We will charge you a fee for each stop payment order you give us as set forth in the Rate and Fee Schedule.

This stop payment is for one ACH payment/debit only. Because this is not a request to stop all future payments, Pactiv and you can cancel subsequent payments to be initiated. (To stop or cancel all future payments, you must contact the originator or the third party whom you initially authorized.) A stop payment order will remain in effect 1) for six months from the date of the stop payment order; 2) until payment of the entry has been stopped; or 3) until the member withdraws the stop payment order in writing, whichever occurs first.

If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your actual damages, not to exceed the amount of the payment.

### Notice of Payments in Varying Amounts

If your regular payments vary in amount, the person you are going to pay is responsible for notifying you of the amount at least ten days in advance of the scheduled payment date. You may elect to receive this notice only when the payment amount will vary by more than a specified amount from the previous payment, or when the amount would fall outside certain limits you set.

### Corrections and Payment Revocations

If an ACH transfer is made into your account in error (if, for example, your employer inadvertently makes a double direct deposit of your net pay) you agree that we can reverse the erroneous transfer into your accounts without giving you advance notice. We will, however, tell you after the fact if such a correction is made. If reversal of an erroneous ACH deposit to your account results in an overdraft, you agree to immediately restore the account to a positive balance after receiving our written demand. If you do not do so, you agree that Your Consent to Our Right of Offset and our right to recover Collection Costs, as explained in the GENERAL AGREEMENTS OF MEMBERS portion of this handbook, will apply.

Credit given by us to you with respect to an ACH credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you the amount of such entry.

### Unauthorized/Authorization Revoked Transactions

If you want to reverse an ACH debit, you must complete and sign a written statement under penalty of perjury (affidavit) within 15 days after we send or make available to you the periodic statement that reflects payment of that ACH debit. If we receive a properly completed and signed Written Statement under penalty of Perjury from you within the 15-day period, we will re-credit your account with the amount of the charge.

Please contact us at (415) 442-6200, or write: Pactiv Credit Union, PO Box 7788, San Francisco, CA 94120-7631.

### Other ACH Transactions

A CIE or customer initiated entry occurs when you initiate an electronic transfer of funds to pay a company in whom you owe money, such as through use of funds to pay a bill. Bill Payer will tell you whether your bill is being paid electronically or by check.

A PBR or consumer cross-border payment occurs when ACH credits (deposits) or debits (withdrawals) are initiated on your account involving foreign countries.

A TEL entry is initiated when you give oral authorization over the phone to initiate an ACH withdrawal from your account. This is distinct from a preauthorized debit (described in the Checking Account section of this handbook), which authorizes a payee to initiate a check (draft) payment on your account. A TEL entry is permitted only if you have an existing relationship with the payee or if you initiated the call to the payee. A TEL entry may authorize a single payment or recurring payments.

A WEB entry is initiated when you give authorization over the internet (and using Online Banking or Bill Pay) to initiate an ACH withdrawal from your account. WEB entries may authorize a single payment or recurring payments.

### OPEN END CONSUMER LOAN AND CREDIT CARD AGREEMENT AND TRUTH IN LENDING DISCLOSURES

Parts in boldface meet Truth in Lending Requirements. Parts in italics (other than certain section headings) apply only to Credit Cards. Terms that apply specifically to a type of Credit Card are so identified. Unless expressly stated otherwise, terms not printed in boldface apply to both Credit Cards and open end loans. Please read the OPEN END CREDIT CARD AGREEMENT AND TRUTH IN LENDING DISCLOSURE section of this Handbook. "Loan Account" refers to an Open End Loan Account. "Credit Card" refers to a Credit Card Account, and "Credit Agreement" refers to the OPEN END CONSUMER LOAN AND CREDIT CARD AGREEMENT AND TRUTH IN LENDING DISCLOSURES.

If you apply for or use a Loan Account or Credit Card with Pactiv Credit Union, you agree that your Loan Account or Credit Card will be subject to the following terms. This Credit Agreement contains many of the terms that apply to consumer loans with courtesy liens. If you request and are approved for a courtesy lien on a consumer loan, you will also receive separate documents that cover additional courtesy lien terms. Other loans secured by real estate are subject to separate written agreements.

### Using Your Open End Loan Account and Credit Card

If we approve your application for Loan Account or Credit Card, we will establish the requested Loan Account or Credit Card for you. Any person listed on the application as a borrower or joint borrower can use the Loan Account or Credit Card. You can request advances on the Loan Account in person, by telephone, by branch office cash advance, by mail, by Pactiv Loan Draft, by ATM, at CUECA, or through the CALL-24 or PC-24 system. You can also request that an advance be sent by wire transfer or ACH. A loan advance that you request by telephone, by CALL-24, or by PC-24 can be disbursed only if Pactiv Checking or Teller Savings Account on by check payable to the term of checks payable to third parties (such as vehicle dealers). ACH transfers or wire transfers payable to third parties require authorization only.

Our issuing a loan advance according to your request completes the loan and will subject you to the GENERAL AGREEMENTS OF MEMBERS and this CREDIT AGREEMENT.

If the Credit Union approves your application for a Credit Card, the Credit Union will open either a VISA or MasterCard and Credit Card Account for you and issue

payments on your loan accounts or credit cards will be in good standing.

© 2006 The Authors  
Journal compilation © 2006 Blackwell Publishing Ltd

In no event will the ANNUAL PERCENTAGE RATE, or corresponding Periodic Rate, exceed any maximum amount the Credit Union is permitted to charge by law. If you have a courtesy lien, the maximum interest rate will be disclosed to you in writing at the time you establish the courtesy lien. Otherwise, there are no limits on the amount by which a variable rate can change at any rate adjustment. We can decline to make an increase in the interest rates that would be justified by an increase in the Index upon one or more occasions, without waiving our right to make rate increases in the future.

...to contact the Credit Union and our members



consistent with increases in the Index.

If you receive discounted interest rates because you meet specified conditions, your ceasing to meet that condition will terminate the discounted rate during the month in which the conditions are not met. In some circumstances you may have to reapply for a rebalanced obligation. The written disclosure you receive when you establish a Loan Account or credit Card will tell you whether you have met the conditions to qualify for any rate discounts and how the terms of your Loan Account or Credit Card will be affected if you cease to satisfy the conditions.

#### Loan Account and Credit Card Payment Terms

If you agree to make automatic payments on your Loan Account and/or Credit Card, it is your responsibility to have funds available to make the scheduled payments.

We will not honor Loan Account or Credit Card payments drawn on a Pateco Credit Union if doing so will cause you to overdraw the applicable account. Overdraft protection advances are not available to pay Pateco loan obligations.

The minimum monthly Loan Account payment is the higher of 2% of the outstanding balance as of the most recent loan advance or \$46.00. If your balance is less than \$46.00, you must pay it in full. Unless your balance increases due to new advances, the payment will remain the same. Increases (or decreases) in the variable interest rate (if applicable) will increase (or decrease) the number of payments you make.

The minimum monthly Credit Card payment depends on the Card type you have. For VISA Classic, it is the higher of 2% of the unpaid principal balance or \$10.00. For VISA Gold, it is the higher of 1.5% of the unpaid principal balance or \$24.00. For MasterCard, it is the higher of 2.0% of the outstanding principal balance or \$24.00. Minimum monthly payments increase with increases in the variable interest rate (if applicable) and with increases in the outstanding balance. Merchant credit will not affect the amount of your minimum Credit Card payment.

Loan Account payments are applied first to reduce any charges, then to the Finance Charge, and the remainder, if any, to reduce the principal.

Credit Card payments are applied in the following order: (a) to any fees (such as late payment fees), (b) to Finance Charges on Cash Advances, the oldest first, (c) to Finance Charges on Purchases, the oldest first, (d) to cash advances, (e) to previously billed purchases, and (f) to current purchases in the order they were posted to your account during the billing cycle.

We reserve the right to apply payments on your Loan Account and Credit Card in any manner consistent with applicable law.

Although we will credit payments we receive promptly consistent with regulatory requirements, we reserve the right to delay increasing your available credit or refunding a credit balance to you until final collection of non-cash items presented for payment on your Loan Account or Credit Card. The delay may be up to seven days, or longer in rare cases.

#### Monthly Statements

The credit union will send you monthly statements of your Loan Account and/or Credit Card unless the account is restricted, which will advise you of their status and provide any other information required by law.

#### Exceeding Your Credit Limit

If your outstanding balance exceeds your authorized credit limit at any time, you must, upon our written demand, make an immediate lump sum payment to reduce your balance to an amount within your credit limit. In addition, you must also make your minimum monthly payment.

#### Prepayment

The balance you owe, including accrued finance charges on the unpaid balance, may be repaid in full at any time without prepayment penalty.

#### Foreign VISA Credit Card Transactions

If you incur a Credit Card charge in a foreign currency or foreign country, VISA International or MasterCard International will convert the charge into the U.S. dollar equivalent.

MasterCard operating regulations allow them to use a wholesale market rate or a government mandated rate in effect one day prior to the date your charge

is processed and to increase the charge amount by 1% as compensation for performing the currency conversion service.

For VISA Credit Card charges in a foreign currency or foreign country, the exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa International from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition, Visa charges Pateco a 1% International Service Assessment for each foreign country or foreign currency transaction, and Pateco will pass this 1% charge on to you.

#### Other Credit Card Charges

For other Credit Card charges and fees, please refer to the Fee Schedule. Signature Loan applications and Signature Consolidation Loan applications are subject to a \$25 application fee to applicants who have previously been denied in the previous six-month period.

For other charges and fees, please refer to the Fee Schedule.

#### Credit Insurance

Credit Life and Disability Insurance are available on both Loan Accounts and Credit Cards. Credit Insurance is optional and is not required to obtain a Loan Account or Credit Card. If you want Credit Insurance, you must request it at the time you apply for a Credit Card or request an advance on a Loan Account sub-account. Credit Insurance is subject to a separate agreement.

#### Payment Skips/Extensions

From time to time Pateco may offer opportunities to voluntarily skip payments on open-end credit programs. Skip payment opportunities will be announced in the Pateco newsletter, on Pateco statements, in newsletters, or on the Pateco Web site. A fee, the amount of which will be announced at the time of the offer, will be charged for each skip payment after the skip payment offer. If the borrower does not skip the fee when accepting the skip payment offer, Pateco will collect the fee as follows: (a) if the primary borrower has a Pateco share draft/checking account with available funds, the fee will be deducted from that account; (b) if the primary borrower does not have a Pateco share draft/checking account with available funds, the fee will be deducted from the primary borrower's Pateco share draft/checking account share/savings account with available funds; neither a share draft/checking account share/savings account with available funds, the fee will be added to the principal balance of the loan on which the payment is skipped. The fee is disclosed on the periodic loan statement for the month in which the fee is disclosed. Finance charges will continue to accrue on the full principal balance even though the payment may be skipped. The Member must be in good standing on all Pateco obligations to participate in any voluntary skip payment program.

#### SECURITY INTERESTS

##### Security Interest in Credit Union Share Accounts

In consideration for and as a condition of Pateco Credit Union issuing a Credit Card to you or allowing you to use an ATM Card or Check Card for a transaction that will access an overdraft protection line of credit, or making a Loan Account with ATM Card access available to you, you agree that if you default, we can take any Pateco shares in which you have an interest to recover all or part of what you owe us without advance notice to you. This consent is in addition to our right to impair a lien on shares under California Financial Code Section 14956. If we exercise our rights under this consent, you agree that we have not waived any other rights we have to collect what you owe us. This consent by you is not a pledge by you of any account assets or our rights under this consent. Even if credit we extend to you is not secured with a plastic card, and even if it is secured by other personal or real property, you agree that if your loan obligation is in default, we can take any Pateco shares in which you have an interest to recover all or part of what you owe us just as we can if the credit is accessible with a plastic card. If you pledge any specific share account as security for a Loan Account sub-account, and for any reason the balance in the pledged share account(s) falls below the unpaid principal balance of the share-secured Loan sub-account, you agree that we may, at our option, either

(a) increase the interest rate on the Loan sub-account to the then-current signature loan interest rate or (b) require that you pay the loan balance in full immediately. Our right to take Credit Union shares in which you have an interest to recover your delinquent loan obligations applies even if "unsecured" credit we extend to you is otherwise designated "signature" or "unsecured."

#### Security Interests in Other Property

If you pledge stock as security for a loan, and you fail to deliver the proceeds of any stock split, sale or exchange to us within 60 days of the sale, split or exchange, you agree that we may, at our option, either (a) increase the interest rate on the Loan sub-account to the then-current signature loan interest rate or (b) require that you pay the loan balance in full immediately. We will, at our option, take a security interest in personal property, such as a vehicle, that you purchase with money that you borrow from us. We may also take a security interest in other property that you own. Our security interest will become effective immediately upon your acceptance of the related loan advance. The security interest gives us the right to take possession of the security property and sell it to pay off all or part of what you owe if you default in any of the terms of your loan or security agreement. Please refer to the Security Agreement section of this OPEN END LOAN AGREEMENT AND Credit Card AGREEMENT AND DISCLOSURE. The Security Agreement is part of your agreement with the Credit Union as to loans secured by personal property.

Any personal property that you pledge as security for an extension of credit is also security for all other amounts you owe us at the time of the advance, and all amounts for which you become indebted to us (including but not limited to Credit Card obligations) in the future.

If you pledge your primary residence as security for any Loan Account sub-account or Credit Card under this Credit Agreement, please refer to the COURTESY LIENS section of the Credit Agreement Handbook. The Courtesy Lien section of the Credit Agreement is part of your agreement with us to credit we extend to you under this Handbook that is secured by your primary residence. Courtesy liens are also subject to separate applications and disclosures.

#### Changes in Terms

We may change the terms of this Handbook, including the variable rate formula on variable rate Loan Accounts and Credit Cards and the fixed rate on fixed rate Loan Accounts, by giving you written notice fifteen (15) days prior to the effective date of the change. If we change the interest rate according to a disclosed variable rate formula, the new rate will apply to your payoff of the balance whether or not you keep the Loan Account or Credit Card. Otherwise, to avoid having the changes apply to a Loan Account or Credit Card, notify the credit union in writing within 30 days to close your Loan Account or Credit Card. If you close your Loan Account or Credit Card, you will still have to pay what you owe us, but under the old terms. If you don't close the Loan Account or Credit Card within 30 days, the new terms will apply whether or not you use the credit for new transactions. If your Loan Account or Credit Card is secured by your home with a Courtesy Lien, changes in terms will be consistent with the requirements of Federal Reserve Regulation Z for open-end credit secured by a borrower's primary residence.

#### Honest Dealing

You agree to promptly notify the Credit Union of any information that affects your creditworthiness or ability to pay, including but not limited to a change in your name, address or employment. If you have reason to believe you will be unable to make the required payments, you agree not to request Loan Account advances and not to use your Credit Card for new transactions.

#### Additional Terms Applicable to Joint Borrowers and Co-Signers (Guarantors)

Whether you are a joint borrower who will use or benefit from credit extended, or a co-signer (guarantor) who agrees to repay credit but will not use or benefit from it, you agree that you are obligated to repay any amount borrowed under this Agreement up to the credit limit that we establish. We can proceed against you if the payments are delinquent whether or not we have proceeded against any other borrower or co-signer. We will give you notice required by law of any adverse action we take. Any extension of the payoff or partial settlement that we make with another borrower or co-signer will not waive any of our rights against you as a borrower or co-signer. You can stop being obligated for

future credit extended only by writing to us to that effect, and, if we have issued a Loan Draft, Credit Card, or Credit Card Check to you, you must cut them in half and return them to us. No more credit will be extended unless we, in our sole discretion, determine that the remaining responsible borrower and/or co-signers are able and willing to pay. However, you will remain responsible for all balances outstanding at the time you told us that you were no longer willing to be responsible for the account.

#### Default; Lien; Acceleration

If you default on your payments when due, regardless of the amount of delinquency, or if you are current on your payments but file for bankruptcy relief, fail to provide the loan demand, the, or otherwise breach this Agreement, you agree to provide the entire outstanding balance due and payable in full immediately without notice. Any one of the items set forth in the immediately preceding sentence, including death, shall constitute an event of default. Upon declaration that the entire balance is immediately due and payable in full is called "acceleration." Upon default, the Credit Union shall be entitled to immediately repossess / recover its collateral without notice. Even if we accept a late or partial payment, we are not waiving our right to accelerate the payment of the loan. The interest rates otherwise called for by this Agreement will apply until the debt to us is paid in full, even after your default and our acceleration of the obligation.

You expressly agree that if you default on one obligation to us, we can declare all of your obligations to us (including Credit Card obligations) to be in default and accelerate them. Loans secured by your primary residence are exempt from this provision. The acceleration of all loans by default of one loan obligation shall require all loans to become due and payable in full including all associated costs, interest, and attorney's fees.

If you have a Courtesy Lien, our rights to declare your obligation to be in default and accelerate your obligation are subject to the requirements and limitations of Federal Reserve Regulation Z.

#### Collection Costs

Please see "Collection Costs" under GENERAL AGREEMENTS OF MEMBERS.

#### Other Terms Applicable to Credit Cards

##### Unauthorized Use of Lost or Stolen Cards

You will generally not be liable for the unauthorized use of any Credit Card issued to you after its loss or theft. You agree to notify us of the loss or theft promptly at our telephone number (415) 442-5200 and by mail. If you lose or steal your card, you must use this number to block your card and report the loss or theft to us. You must also call our 24-hour number (800) 543-5073 for VISA or for MasterCard, to report the loss or theft of your Credit Card. If the unauthorized use of your Card falls outside MasterCard or VISA "zero liability" rules, you could be liable for unauthorized transactions up to a maximum of \$50.00. You agree to notify us at once of loss or theft of your Credit Card and to cooperate in our determination of the circumstances.

#### Merchant Credits

If a merchant who honors your Credit Card gives you credit for returns or adjustments, he will do so by sending us a credit slip, which we will post to your account. If your credits and payments exceed what you owe us, we will hold and apply this credit balance against future purchases and cash advances, or refund it on your written request if it is \$1.00 or more. We may refund any credit balance to you at any time at our option, but after six months, any credit balance over \$1.00 will be automatically refunded to you.

#### Merchant Problems

We are not responsible for the failure or refusal of any merchant to honor your Credit Card.

#### PLATINUM REBATE MASTERCARD

Pateco members who have a Platinum Rebate MasterCard may earn a cash rebate in U.S. dollars when they use their MasterCard for purchases. Rebate terms are subject to change at any time without notice.

## Rebate Period

The rebate period runs annually from November 16 to November 15. The rebate to be paid is calculated each year on November 15. A rebate is paid only if the Platinum MasterCard holder has earned \$1.00 or more in rebates. The rebate will be paid shortly after the end of the rebate period in the form of a deposit to the Platinum MasterCard holder's T-Savings account. If the account has more than one borrower, the rebate will be paid to the cardholder who is listed first on the billing statement. It is the Platinum MasterCard holder's responsibility to notify us if an expected rebate has not been paid.

## Rebate Earnings

Platinum MasterCard holders begin earning rebates credit with their first purchase during a rebate period. Rebates are not earned for Cash Advances.

The rebate amount for each purchase equals the purchase amount multiplied by 1.0% (0.01). The monthly statement will show the amount of purchase eligible for the rebate. We can make adjustments to rebate amounts due to Account activity. For example, if we include a purchase in your Purchases eligible for a rebate, and a merchant later advises us that you have returned the merchandise and received a credit to your Platinum MasterCard Account, we can reduce the rebate amount accordingly.

**Forfeit of Rebates Earned Before End of Rebate Period**  
If the Platinum MasterCard Account is closed before the end of a rebate period, earned but unpaid rebates will be forfeited.

If your Platinum MasterCard Account is delinquent at the time a rebate is scheduled to be paid, we may, at our sole option, apply the rebate to reduce the balance you owe instead of depositing it to your T-Savings Account.

## Rebates on Lost or Stolen Cards

If your Platinum MasterCard is lost or stolen, earned rebates will be credited to your new account number.

## Tax Consequences of Rebates

Platinum MasterCard holders have sole responsibility for determining their tax liability, if any, resulting from participation in this program. We make no representations or warranties regarding the tax treatment of rebates received under this program.

## Termination

Without prior notice, we can terminate your Loan Account or Credit Card, reduce or cancel all credit available on the account, refuse to make further advances, and revoke all issued Loan Drafts, Credit Cards or Credit Card Checks for any breach of this Agreement or other agreement between you and the credit union to the extent permitted by law. If you do not meet the requirements for active membership in Palco Credit Union, we have the right to terminate your Credit Card or Loan Account. In some circumstances, we will be required to give you 30 days advance written notice that we are terminating your credit. Any joint borrower may have a Credit Card or Loan Account at any time. If your Credit Card or Loan Account is closed by you or us, you will surrender any issued Credit Card, Credit Card Checks or Loan Drafts to us. Termination of a Credit Card or Loan Account does not relieve you of the obligation to repay the full balance you owe, consistent with the terms in this Handbook. If you have a Courtesy Lien, our right to terminate your Loan Account or Credit Card is subject to the requirements and limitations of Federal Reserve Regulation Z.

## SECURITY AGREEMENT

Any personal property you have pledged as security for repayment of a Loan Account will be shown on a separate document. The following additional terms apply to secured Loan Account advances.

You will give the Credit Union an immediate security interest in the Security. You agree to take, at your sole expense, any steps (including legal action against the collateral seller or others) that may be necessary to ensure that the Credit Union is the sole lender on property in which you have given the Credit Union a security interest, even if a third party such as the Department of Motor Vehicles or a prior lender has erroneously delivered title to security property to you without showing our security interest, and even if the acts of parties other than yourself result in an impairment of our security interest. You agree that your failure to cooperate in perfecting our security interest is a material default by you that will allow us to accelerate your loan obligation.

and take possession of the security property and sell it as explained later in this SECURITY AGREEMENT section. Alternatively, we can (a) take any steps we reasonably deem necessary to perfect our security interest and add all costs associated with doing so, including attorney's fees to your sub-account balance and they will accrue interest and other Finance Charges at the rate called for by this Agreement, or (b) increase the interest rate to the current unsecured rate if adequate proof of the required security interest is not furnished.

It is your full and absolute responsibility to assure that title is unconditionally, fully and promptly transferred to the credit union. This responsibility includes taking any and all steps necessary to assure the vehicle seller said transfer of title. All steps include but are not limited to, filing the appropriate legal relief against the vehicle seller (among others) to assure and to obtain transfers of title to the credit union. All attorney's fees and costs incurred will be at your sole and exclusive expense. Moreover, you will pay the credit union all attorney's fees and costs it actually incurs to obtain title to the vehicle. "Vehicle" shall include cars, motorcycles, boats, trailers, recreational vehicles, and any other mode of transportation for which a license and/or registration is required.

You agree to pay any government fees required to reflect our interest in the Security in the appropriate public records. We will tell you the amount of these fees, if any, at the time of your loan advance. The Credit Union does not guarantee any physical, legal or other condition of Security. If a third party asserts a claim or interest in the Security, whether or not you know about it, could have discovered the claim when you purchased the Security, you agree to take whatever steps are required to eliminate the third party's claim or interest in the Security at your sole expense.

You will furnish the Credit Union with any documents we require regarding the Loan Account advance or the Security.

You will abide by the terms of the Credit Agreement.

You will not remove the Security from the state where you reside except temporarily (30 days maximum) without first obtaining the credit union's written permission or paying your loan balance in full.

You will not use the Security for any illegal purpose or engage in conduct that would subject the Security to seizure by a public agency such as the federal government. You will use the Security for personal, family or household purposes.

You will not sell, rent, give, loan, or otherwise transfer the Security or give any additional security interests in the Security without first obtaining the Credit Union's written condition or paying your loan balance in full.

You will tell the Credit Union if the address where the Security is regularly kept changes.

You will pay all taxes, registration fees, fines, and the like, related to the Security in a timely manner. If you fail to do so, we can pay these items and add the amounts to your Loan Account balance, or we can declare your loan in default and take possession of the Security.

You will protect the Security from deterioration or damage, make all needed repairs, maintain adequate insurance coverage, naming the credit union as loss payee and lender, and furnish the Credit Union with a copy of your insurance policy at our request. The Credit Union's listing on the insurance policy as lender should read: "Palco Credit Union, Attn: Insurance Maintenance Center, 156 Second Street, San Francisco, CA 94105". The insurance must cover the Security for loss by fire, theft and collision and all risks and include hull coverage in the case of aircraft and boats. The deductible must not exceed \$1,000 unless you obtain our written permission. The insurance company must be admitted to write insurance in California or in the state where you live. If you fail to maintain required insurance, or if the Credit Union does not receive written confirmation that you have obtained insurance within 15 days of making a secured loan advance to you, the Credit Union may, at our option, (a) pay premiums on your insurance for you, (b) purchase your own insurance on the Security, or (c) declare your loan in default and repossess the collateral. Insurance we purchase may cover our interest and may not provide you with coverage that may be required by law in the state in which you live. The Credit Union is never required to purchase insurance on the Security. The cost of insurance the Credit Union obtains will, nonetheless, substantially exceed the cost of insurance you can obtain yourself.

Notwithstanding if we purchase insurance to protect our interest in the Security or pay your premiums for you, you agree that we can add the premiums to your loan balance and they will accrue interest at the agreed-upon interest rate for the loan. We will give you advance notice before we purchase insurance

on the Security. The notice will tell you the cost of insurance purchased by us and give you a deadline by which to provide proof that you have obtained the required insurance coverage. If we do not receive proof that you have obtained satisfactory insurance by the deadline date, we will buy the insurance and add the cost to your loan balance. If you have automatic payments or payroll deduction, you authorize us to increase the number or amount of payments to cover the premiums and additional interest on them.

You can cancel insurance that we have purchased, but only after you have given us proof that you have obtained the insurance required by this Agreement. You will be responsible for paying the premiums for insurance that we have purchased through the effective date of its cancellation. If, within 30 days after we tell you that we are purchasing insurance on the collateral, you can prove to us that you at all times had the insurance coverage required by this Agreement, you will not have to pay for any insurance we obtained.

If the Security is a vehicle and is involved in an accident, the credit union has sole discretion in accepting or rejecting an insurance remedy.

As an alternative to purchasing insurance we may, at our option, declare your loan in default and take possession of the Security if you fail to maintain the required insurance.

The security for one Loan Account advance secures all amounts you owed us at the time we made the advance and will secure all future loan advances we make to you.

Additions to the Security are subject to the security interest. This includes the proceeds of any stock split, exchange, or stock dividend. If at any time the market value of stock or similar securities securing a Loan Account sub-account advance falls below 80% of the stock-secured portion of the Loan Account balance, we can require you to provide additional security. Alternatively, you can make a single lump-sum payment to reduce the stock-secured principal balance so that the stock is worth at least 80% of the outstanding balance. We can require you to provide additional security if, in our reasonable judgment, the value of the security is insufficient in relation to the outstanding balance of your loan. If you fail to provide additional security or, alternatively, make a lump-sum payment to lower the outstanding balance to an acceptable level, the credit union can convert the balance to a Signature balance. At the then-prevailing interest rates for Signature Loan Account advances. We can also, at our sole option, accelerate the loan and require you to pay the entire balance in full immediately.

If you make any false statements to the credit union to obtain credit, or if you do so in the future, or if you default in any of your obligations under the Loan Agreement or Security Agreement, the credit union may, in addition to the rights spelled out in the Loan Agreement, take possession of the Security and, after giving proper notice of sale, sell the Security in a commercially reasonable manner.

If you default, you will deliver the Security to us upon our request. If you fail to deliver the Security, you agree that we or our agent can enter the place where the Security is kept and take possession of the Security without notice to you and without obtaining a court order to do so. You agree to pay any costs that in taking the property we incurred with a legal right to do so, to any extent. You appoint the Credit Union your attorney-in-fact to take any action we feel is necessary to protect the Security or the Credit Union's rights under this Agreement. This appointment does not obligate the Credit Union to take any particular action that would affect your interest in the Security.

If the proceeds from sale of the Security do not meet all of the Credit Union's expenses of taking possession of, repairing and selling the security, as well as the total amount of money you owe us (including earned interest and other charges), you must pay the Credit Union any remaining amount upon our demand. If you do not pay, we can sue you to recover the amount you still owe and you must pay our attorney's fees and court costs subject to the terms of "Collection Costs" in the GENERAL AGREEMENTS OF MEMBERS portion of this Handbook. If there is a surplus after the Security is sold and all costs have been paid and the loan balance paid in full, you agree we can use any surplus proceeds to pay down the balance of any other obligation you have to us that is in default.

## Debt Consolidation Loan Advances

Palco offers both a Signature Consolidation Loan Advance and a Partially Secured Consolidation Loan Advance on the Loan Account. The maximum amount for a Signature Consolidation Loan is \$25,000. The maximum amount

for a Partially Secured Consolidation Loan depends on the amount of collateral pledged.

To qualify for a Partially Secured Consolidation Loan with its more favorable interest rates, at least 50% of the loan amount must be secured by allowable collateral. Allowable collateral is (a) 50% of the value of eligible stock, (b) 100% of the balance in a savings or other account that can be pledged as security for a loan, and (c) 100% of the retail value of a vehicle (other than a car included). If the value of the security is at any time less than 50% of the outstanding loan amount, the interest rate will convert to the higher rate for a Signature Consolidation Loan.

Any collateral specifically described in a separate loan document will be pledged as security for this Loan Account advance and will be subject to the Security Agreement of this Credit Agreement. To qualify for this advance and the applicable interest rate, you must meet these conditions: (a) All loan proceeds (\$2,500 minimum) must be used to pay off credit obligations with other financial institutions or creditors. Palco will disburse the loan proceeds directly to your other creditors consistent with your written instructions. (b) Notwithstanding any other provision for minimum monthly payments on Loan Accounts, your minimum monthly payment must be sufficient to pay off each \$1,000 advanced over a one-year period, and all advances under this program must be paid off within 60 months of the first advance. (c) You must have direct deposit of your paycheck into your Palco Savings or Checking Account and your payments on this loan must be by payroll deduction or automatic transfer from a Palco account. If all of these conditions are not met, the interest rates will be increased to those Palco is then offering from signature loan advances.

## Courtesy Liens

A courtesy lien is an interest that we take on your primary residence as an alternative to a security interest to secure repayment of your Open End Loan or Credit Card obligation. As of the printing date of this disclosure, courtesy liens are available for all Open End Loan Accounts and Credit Cards. If you apply for and are approved for a Courtesy Lien, you do not rescind the Courtesy Lien within the time allowed by applicable law, the following additional terms apply to your Open End Loan Account and/or Credit Card.

You confirm that the trust deed or mortgage is additional security for the loan. You understand that you can lose your home if you default.

You will receive the same terms on your Loan Account or Credit Card as you would receive if you had not elected the Courtesy Lien option (except as limited by the provisions of Federal Reserve Regulation Z regarding open end loans secured by real property).

You will give us a recordable trust deed or mortgage on your residence as additional security for repayment of your Loan Account and/or Credit Card. The trust deed or mortgage will be in an amount equal to your maximum line of credit as approved by the credit union. The terms of the deed of trust or mortgage are incorporated into this Handbook by reference.

You warrant that you have good title to the residence securing the loan.

The security in your residence is obtained by us out of an abundance of caution to ensure that we will not suffer a deficiency if you default on your credit obligation.

If you default on your Loan Account or Credit Card, we, at our sole option, will choose which security (if more than one type of security is available) to liquidate to satisfy your obligation to us. We will select the most economical, speedy and cost-efficient approach, taking into consideration the value of the security and the likelihood that we will recover the balance of the loan and all expenses paid in full. You understand that in taking additional security we are not relinquishing our statutory right of offset against Palco Credit Union shares in which you have an interest, nor are we waiving to any extent our rights under the consensual security interest you have given us in your Credit Union shares.

In electing to liquidate the outstanding balance by selling one or more of the security for the credit, we are not waiving our right to proceed against all of other security for the loan to satisfy any deficiency balance consistent with any applicable state law governing loan deficiency balances. If you reside outside California, you agree that California anti-deficiency statutes do not apply to a Courtesy Lien you have with Palco Credit Union, notwithstanding any other provision in this Handbook.

You agree that our liquidation of any other security in partial liquidation of the

# FEE SCHEDULE EFFECTIVE March 1, 2006

## ATM Fees

ATM Charge on Pateco ATMs	Free
ATM Charge on CO-OP Network ATMs	Free
ATM Charge on Non-Pateco ATMs	\$1.25 per transaction
ATM Deposit Adjustment Fee	\$2.00
Replacement Plastic Cards	\$5.00

## Cashiers Checks

Cashier's Checks to Third Party	\$5.00
Cashier's Check Copies	\$5.00
Refund/Replacement of Lost/Stolen Cashier's Check	\$10.00

## Checking Fees

Free Checking Account	Free
Interest Checking - Accounts with more than \$500 Average Daily Balance	Free
Interest Checking - Accounts with less than \$500 Average Daily Balance	\$5.00 per month
Check Orders	Prices may vary
Temporary Checks	\$2.00 for 10 checks
Post Dating Order	\$10.00
Check Copies	\$2.00 each (first two per month free)
Check Copies (RUSH ORDERS)	\$3.00 each

## Copy Fees

Cashier's Check Copies	\$5.00
Copies of Tax Report Forms 1098/ 1099 INT/ 1099/ 5498	\$2.00
Statement Copies	\$1.00 per page
Other Document Copies	\$2.00
Other Document Copies (RUSH ORDERS)	\$3.00

## Credit Card

Replacement Plastic Cards	\$5.00
---------------------------	--------

circumstances outlined in California Civil Code § 1714.90. Purchases with cash or debit are not included in this section, even though you used your Credit Card to initiate the credit.

We cannot penalize you by either giving out unfavorable credit information about you or refusing to renew your Credit Card solely because you obtained relief under the remedies you have for collecting billing errors.

## ATM Disclosure: Credit Card Access to Credit Card Accounts Only

See the Electronic Funds Transfer Agreement and Disclosure section of this Handbook for information regarding use of Credit Cards to access your credit union share accounts at ATMs.

## Available Services

Obtain up to \$500.00 per day on your Credit Card Account. The amount of cash you can obtain on your Credit Card Account at designated ATMs may be limited by the ATM you are using, and may be less based on your Card's daily limit. ATM service is generally available 7 days a week, 24 hours a day.

## Documentation of Transactions

Cash advances using a Credit Card will be shown on a transaction receipt dispensed by the ATM (unless the machine advises you in advance that receipts are not available or you elect not to obtain a receipt) and on your periodic statement.

## Credit Union Liability

If we do not properly complete a transaction according to our agreement with you, we will be liable for your direct losses or damages. However, there are some exceptions. We will not be liable if:

1. Through no fault of ours, you don't have sufficient available credit to make the transaction;
2. The ATM system was not working properly and you knew about the breakdown when you started the transaction;
3. The money in your account is subject to legal process or other claim;
4. Your PIN (personal identification number) has been reported missing and we have blocked its use;
5. Circumstances beyond our control such as fire, flood, electrical failure, or malfunction of the central data processing facility prevent the completion of the transaction despite our reasonable precautions; or
6. We establish other lawful exceptions and give you proper advance notice of them.

In no event will the credit union be liable for consequential, indirect, or punitive costs or damages.

## ATM Security

Do not use an ATM unless it appears safe to do so. Do not key in your PIN if someone is looking. Be sure you take your Credit Card and receipt when you are done. Put your money away quickly and leave the site.

©2006 Citicorp & Allstate LLC. All rights reserved.

• Your name and account number.

• The dollar amount of the error and an explanation of why you believe there is an error.

If you need more information, describe the item about which you are not sure.

## Your Right to Stop Automatic Loan Account or Credit Card Payments

If you have authorized us to make your Loan Account and/or Credit Card payment automatically from your Teller Savings or Checking Account, you can stop the payment on any amount you think is wrong. To stop payment, your request must reach us in three business days before the automatic payment is scheduled to occur. We can ask you to confirm an oral request in writing within 14 days, and if you do not do so, the oral request will terminate after 14 days.

## Your Rights and Our Responsibilities After We Receive Your Written Notice of Error

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the statement was correct.

After we receive your letter, and if you have not yet paid the disputed amount, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay a questioned amount while we are investigating, but you are still obligated to pay the parts of your statement that are not in question.

If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any questioned amount. If we did not make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due. If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within 10 days telling us that you still refuse to pay, we must tell you that the matter has been settled between us when it finally is. If we do not follow these rules, we cannot collect the first \$50 of the questioned amount, even if your statement was correct.

## Special Rule for Credit Card Purchases

If you have a problem with the quality of goods or services that you purchased with a Credit Card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. The two limitations on this right are:

1. You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and
2. The purchase price must have been more than \$50.00. These limitations do not apply if we own or operate the merchant or if we mailed you the advertisement for the property or services.

## Notice to California Residents Regarding Credit Cards

Under California law, our right to recover outstanding credit extended to you for purchases is subject to any defenses that you have against the seller if:

1. The purchase price of the item in question exceeded \$50.00;
2. The purchase was made in California;
3. You made a written demand on the retailer and made a good faith attempt to get satisfaction of your complaint;
4. You notify us, in writing, of the name of the seller, the date of purchase, the price paid, the goods or services purchased, the nature of your defense, and the acts that you took to obtain satisfaction from the seller.

The amount to which the defense applies is limited to the amount outstanding on the purchase as well as late charges and Finance Charges at the time the written demand is received by us.

This remedy is the only one you have against us. Your rights are limited to those

obligation prior to a judicial or non-judicial foreclosure sale of the residence (as required by local law) will not be an election of remedies precluding us from proceeding under the trust deed or mortgage. You expressly waive any right to claim that we have elected remedies or are otherwise precluded from exercising our rights under the trust deed or mortgage. You acknowledge that we have made no representations regarding tax treatment of interest or any other sum paid on this loan under applicable federal or state law.

Courtesy Loans are not available where prohibited by law.

## Payday Line of Credit

Pateco Credit Union will make available to qualified members, upon request, a signature line of credit sub-account on the Pateco Open End Loan Plan with a maximum credit limit of \$750.

Once this sub-account is established, members may request advances on this sub-account by authorized telephone request, by Call-24 Touchtone Home Banking, by PC-24 Home Banking, or in person at any Pateco branch. This Line of Credit is not an automatic overdraft protection source; the member must specifically initiate each advance.

The ANNUAL PERCENTAGE RATE on the line of credit will be 17.9% (0.499% Daily Periodic Rate) for Non-Commitment Household Members and 17.8% (0.498% Daily Periodic Rate) for Commitment Household Members. In addition, a service fee of \$10.00 will be charged for each loan advance. Interest begins to accrue when the loan advance posts. There is no grace period. To calculate the interest component of the Finance Charge each day, Pateco multiplies the outstanding principal balance on the sub-account for each day of the billing cycle by the Daily Periodic Rate. Each day's principal balance is computed by adding any new advances and subtracting any principal payments or other credits from the previous day's principal balance. Pateco then adds together the interest that has accrued on each day of the billing cycle to determine the total interest for the billing cycle. Interest plus service fees are added together to determine the total Finance Charge for the billing cycle. Because the service fee is also a Finance Charge, an ANNUAL PERCENTAGE RATE higher than 17.9% or 17.8% for this sub-account will appear on the periodic billing statement for any month in which a service fee is charged.

The required minimum monthly payment for this sub-account will be \$16.00. Paying more than the minimum payment is permitted, will not result in any prepayment penalty, and will generally reduce interest charges.

To establish this sub-account, members must submit an authorized telephone request, a request through PC-24 Home Banking, or a written request by mail, fax, or in person at any Pateco branch location. All requests to establish this sub-account are subject to Pateco's approval. All applicable terms of this Credit Agreement will apply to this sub-account.

## YOUR BILLING RIGHTS: KEEP THIS NOTICE FOR FUTURE USE

The following summary of your rights under federal law does not cover all rights you may have under state and local law. If, under state or local law, you have a longer period of time in which to send an inquiry to the credit union concerning your statement, reliance on any such longer time period may result in your losing important rights which could be preserved by acting more promptly under federal law and state or local provisions, if any, only become operative upon the expiration of the time period provided by Federal Reserve Regulation Z for submitting a proper written notification of an error.

This notice contains important information about your rights and responsibilities under the Fair Credit Billing Act.

Notify Us in Case of Error or Questions About Your Loan Account or Credit Card Billing Statement.

If you think your statement or other documentation is wrong, or if you need more information about a transaction on your statement, write us at the billing address listed on your statement (Pateco Credit Union, Credit Card Department or Loan Department, 156 Second Street, San Francisco, CA 94105-3724). Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us at (415) 442-6200 during regular business hours, but doing so will not preserve your rights.

In your letter, give us the following information:



Credit Card Payment Late Charge	\$10.00
Credit Card Checks	Free
Credit Card Cash Advances	\$2.00 or 2% of cash advance, whichever is greater (\$15 maximum)
Copy of Credit Card Transaction Slip	\$8.00
Copy of Credit Card Check	\$8.00
Foreign VISA Credit Card Transactions	1% of transaction (in addition to any cash advance fee)

#### General Fees

Account Reconciliation Research	\$17.00 per hour
Check Deposits (per Member per day)	Free
• First 20 checks	\$ .50 per check
• 21 checks or more	
Coin Deposits - (per Member per day - coins must be rolled)	Free
• 30 rolls or less	\$ .30 per roll
• 31 rolls or more	
Collection Items	COST
Escrow Locator / Transfer Fee	\$2.00
Excessive Withdrawals from Tiered Savings (after 6 per month)	\$1.00 each
Express Mail / Rush / Overnight Fee	\$17.00
Fax On Demand	\$1.00 Per Page
Immigration / Naturalization Service Letter	\$10.00
IRS Levy / Withholding / Judgment / Legal Order	\$20.00 per notice
Mailed Receipts	\$2.00
Money Market Checks	Free
Money Orders	\$2.00 each
Notary Fee - Pateco Documents	Free
Notary Fee - non-Pateco Documents	\$5.00 per signature
Point of Sale (POS) Transaction Fee	Free
Printed Account History	\$2.00 per Page
Printed Balance Inquiries	\$2.00 per page
Remote Funds Fee	\$5.00
Telephone Service Center Account Inquiry	\$1.00
Verification Of Deposit	\$10.00
Verification / Account Rating	\$10.00

#### Loan Fees

Loan Payment Late Charge	\$5.00 or 3% Payment Due (\$10.00 maximum)
Auto Loan Rate Reduction Fee	\$150.00
Payday Line of Credit Service Fee	\$10.00

#### Membership Fees

New Member Fee (Non-Refundable)	\$20.00
---------------------------------	---------

#### NSF Fees

ACH Returned Item	\$19.00
NSF (Non-Sufficient Funds) Fee	\$19.00
Paid NSF (Courtesy Pay) Fee	\$19.00

#### Check Card

Replacement Plastic Cards	\$5.00
Copy of Check Card Transaction Slip	\$8.00
Foreign Check Card Transactions	1% of transaction

#### Real Estate Mortgage Related Charges

Additional Charge for Fax	\$10.00
Deed Reconveyance	\$45.00
Demand for Pay-Off	\$50.00
Subordination Charge	\$75.00
Auto Equity Document Preparation Charge	\$125.00
Courtesy Lien Document Preparation Charge	\$125.00

#### Returned Item Fees

Returned Deposit or Loan Payment	\$10.00
----------------------------------	---------

#### Savings

Minimum Savings Balance Fee	\$3.00 per month
Health Savings Account Service Fee	\$1.00 per month (1+ year free)

#### Stop Payment Fees

Checks / ACH Payments	\$10.00
Lost / Stolen Cashier's Check Processing Fee	\$10.00
Post-Dating Order	\$10.00
Stop Payment Cancellation	\$5.00

#### Travelers Checks (minimum fee \$2.00)

One & Two - signature checks	\$1.00 per \$100 purchase
Travelers Checks by Mail Order	\$9.50
Foreign Travelers Checks by Mail Order	\$9.50
Foreign Currency by Mail Order	\$9.50
Gift Checks	\$2.50 each

#### Web Pay Fees

PC-24 Bill Payer (per month)	Free
• First 20 bill payments	\$ .25 per bill payment
• After 20 bill payments	
PCI Mail	Free
MoneyLink Transfers	Free

#### Wire Transfers

USA - Domestic outgoing	\$18.00
International - Outgoing	\$30.00
International - Incoming	\$12.00

All fees and charges are subject to updating and revision upon proper notice. Commitment Households are eligible for waiver of certain fees.

Other fees may be waived at our discretion, subject to your meeting certain criteria and qualifications. This March 1, 2006 Fee Schedule supersedes any previously printed Fee Schedule.

#### How to contact us:

- > By phone: 415-442-6200
- > By mail: Pateco Credit Union  
156 Second Street  
San Francisco, CA 94105
- > By e-mail: [pateco@pateco.org](mailto:pateco@pateco.org)
- > By internet: [www.pateco.org](http://www.pateco.org)

## PATECO CREDIT UNION AND ITS AFFILIATE CREDIT UNION SERVICE ORGANIZATION PRIVACY OF MEMBER AND FORMER MEMBER INFORMATION

### I. What this policy covers

This policy covers "nonpublic personal information." This means personally identifiable information that Pateco Credit Union, or its affiliated Credit Union Service Organization (CUSO), obtains about you in the course of providing services to you, our members and former members. It does not cover information that we or other entities obtain from public sources such as telephone directories or county real property records. It does not cover information that is not identified with any individual member or former member, such as a statement that a specified number of our members have auto loans with us, or a statement that the average combined account balance of our membership is a specified dollar amount. In this policy, the term "member" refers to both current and former members.

### II. Our maintenance of the privacy and security of your information:

We restrict access to nonpublic personal information about you to persons who have a need to know the information to provide products and services for you or to meet our reasonable business needs. Credit Union staff, management, and volunteers are trained to keep member information strictly confidential. If we release information about you to third parties, they must sign agreements to keep your information confidential unless certain conditions are met. For example, they are permitted to disclose information about you if necessary to provide products and services to you, if ordered to do so by a court, if necessary to conduct their own business, or if you give them permission. We maintain physical, electronic, and procedural safeguards that comply with federal regulation to guard your nonpublic personal information.

### III. Where we collect information about you:

We collect information about you:

- From your applications for our services;
- From consumer reporting agencies such as credit bureaus and agencies that report checking account abuses;
- From third parties we ask to verify information you have provided on your applications for our services, such as employers or other creditors;
- From third parties with whom we have arrangements to provide services to you, such as financial institutions whose A/TMs you use, merchants who accept your Credit Union credit card, mortgage lenders, or vehicle dealers.

### IV. Types of information we collect and may disclose about you to third parties:

We may disclose to third parties any information that we have about you, including but not limited to your name, your address, your social security number, your date of birth, your transaction history with us, your assets, and your income.

### V. Third parties to whom we may disclose information about you for purposes of conducting our business with you:

We may disclose information about you under the following general circumstances:

- To the extent necessary to provide services that you request;
- To the extent necessary to conduct our business;
- To our internal and external auditors, to our legal advisors, to our insurers, and to our regulatory agencies such as the California Department of Financial Institutions or the National Credit Union Administration;
- If we are required to do so by law, such as when we receive a subpoena, letter, subpoena, or other validly issued legal process;
- If you give us written permission.

Specific examples of types of third parties to whom we disclose information include:

- Credit bureaus;

- Third parties vendors that assist us with providing or marketing member services, such as check printers, mortgage lenders, mail houses, plastic card processors, credit life and disability insurance providers, collateral appraisers and vehicle dealers participating in our dealer loan programs;
- Third parties with whom we have joint marketing arrangements;
- Third parties who are involved in your transactions, such as the Federal Reserve and other financial institutions that process your checks; automated clearinghouse (ACH) transactions; and ATM transactions;
- Third parties whose services are necessary to meet our business needs, such as the Department of Motor Vehicles, companies that insure collateral you have pledged as security for Credit Union loans, and debt collectors.

Pateco Credit Union and the Credit Union's affiliate CUSO can exchange information about their transactions and experiences with you.

VI. Third parties to whom we disclose information for other reasons:

Pateco Credit Union or the CUSO may disclose information about you to third parties that sell their own products or services. Although we do not guarantee the products or services of any third party, we select third parties to which we give information about you carefully, and share the products or services they offer may be of interest to you. Examples of third parties to whom we may give information about members include financial planners, investment advisors, and companies that sell various types of insurance.

We will generally disclose only your name, address, and telephone number. We may give lists of members who fall within certain categories, such as a range of ages, income, account balances, or home ownership, so that third parties can target their promotions to members who are likely to be interested in and qualified for the offered products or services. We never give your specific financial information, account numbers, or Personal Identification Numbers (PINs) to third parties selling their own products or services to you.

You can prohibit us from disclosing information about you to third parties selling their own products and services, and prohibit Pateco Credit Union and the CUSO from exchanging information (other than information about their transactions and experiences with you) about you by following the instructions in the Opting Out section below. Once a third party has information about you, however, they may continue to contact you. You should contact the third party directly if you wish to be excluded from their contact lists.

VII. Our right to change this policy:  
This policy is effective December 1, 2002. We can change this policy by notifying you in writing. If a new policy will be subject to opt-out rights, we will give you at least 30 days advance notice before the new policy goes into effect, and we will disclose means by which you can opt out of disclosure of nonpublic personal information.

VIII. Opting Out:  
If you do not want us to give information about you to third parties who are selling their own products or services, and not to exchange information other than transactions and experiences between Pateco Credit Union and the CUSO, you can opt out at any time by calling 415-442-6260 or by completing the following form and returning it in person to any Credit Union branch, or mailing it to us at the address given on the form. You can also opt out on line by visiting our web site at <http://www.pateco.org> and selecting "privacy". Once we receive your request, we have a reasonable amount of time to stop the disclosures. If you later decide you no longer want to opt out, you can let us know by calling or writing to us. You cannot opt out of disclosure of information about you as described in section V.

If you have a joint account or joint credit, each of you can opt out on behalf of all joint account holders or joint borrowers. Joint owners or borrowers who do not opt out using this decision form may later opt out by calling Pateco Credit Union's phone number, by visiting our web site and selecting "privacy" or by requesting an opt-out form.

If you have already opted out with us, you do not have to do so again.

#### To Pateco Credit Union:

I want to opt out of the disclosure of nonpublic personal information about me to third parties who will use the information to market non-Credit Union services to me, and opt out of the exchange of information (other than information about transactions and experiences) between Pateco Credit Union and its affiliate CUSO.

I can change my opt-out election any time by contacting Pateco Credit Union.

My Name: \_\_\_\_\_

My Address: \_\_\_\_\_

My Account No. \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

If this opt out applies to a joint account or joint loan, the opt out will apply to myself and the joint owners/borrowers identified below.

Name \_\_\_\_\_

Member Number \_\_\_\_\_

Name \_\_\_\_\_

Member Number \_\_\_\_\_

Mail this form to: Privacy Opt-Out, Pateco Credit Union, PO Box 2227, Merced, CA 95344-0227.

Or bring it into any Pateco Credit Union branch.

#### Important Privacy Choices for Consumers

You have the right to control whether we share some of your personal information. Please read the following information carefully before you make your choices below.

##### Your Rights

You have the following rights to restrict the sharing of personal and financial information with our affiliates (companies we own or control) and outside companies that we do business with. Nothing in this form prohibits the sharing of information necessary for us to follow the law as permitted by law, or to give you the best service on your accounts with us. This includes sending you information about some other products or services.

##### Your Choices

**Restrict Information Sharing With Companies We Own or Control (Affiliates):** Unless you say "No," we may share personal and financial information about you with our affiliated companies.

☐ NO, please do not share personal and financial information with your affiliated companies.

**Restrict Information Sharing With Other Companies We Do Business With To Provide Financial Products and Services:** Unless you say "No," we may share personal and financial information about you with outside companies we contract with to provide financial products and services to you.

☐ NO, please do not share personal and financial information with outside companies you contract with to provide financial products and services.

##### Time Sensitive Reply

You may make your privacy choice(s) at any time. Your choice(s) marked here will remain unless you state otherwise. However, if we do not hear from you we may share some of your information with affiliated companies and other companies with whom we have contracts to provide products and services.

Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Signature: \_\_\_\_\_

To exercise your choice do one of the following:

- 1) Fill out, sign and send back this form to us by using the envelope provided (you may want to make a copy for your records);
- 2) Call this toll-free number 1.800.358.8228;
- 3) Reply electronically by contacting us through the following email option: [patelco@pateco.org](mailto:patelco@pateco.org)

CA Privacy Notice (4/05)

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State, county number, and address):

THOMAS CAUDILL, ESQ.  
THE LAW OFFICE OF THOMAS CAUDILL  
1025 North Fourth Street, San Jose, CA 95112-4942

TELEPHONE NO.: (408) 298-4844

FAX NO.: (408) 298-5148

ATTORNEY FOR (Name): Plaintiff PATELCO CREDIT UNION

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO

STREET ADDRESS: 400 McAllister Street, Rm. 103

MAILING ADDRESS:

CITY AND ZIP CODE: San Francisco, CA 94102

BRANCH NAME: LIMITED CIVIL DIVISION

FOR COURT USE ONLY

FILED

Superior Court of California  
County of San Francisco

JAN 02 2014

CLERK OF THE COURT  
Superior Court of California, County of San Francisco

BY: J. MA. MORAN CLERK

CASE NAME:

PATELCO CREDIT UNION v. JOYCELYN Y. LAMPKIN

## CIVIL CASE COVER SHEET

- ☐ Unlimited (Amount demanded exceeds \$25,000) ☒ Limited (Amount demanded is \$25,000 or less)

## Complex Case Designation

- ☐ Counter ☐ Joinder  
Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)

CASE NUMBER:

CGC-15-543490

JUDGE:

DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

## Auto Tort

- ☐ Auto (22)  
☐ Uninsured motorist (46)

## Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

- ☐ Asbestos (04)  
☐ Product liability (24)  
☐ Medical malpractice (45)  
☐ Other PI/PD/WD (23)

## Non-PI/PD/WD (Other) Tort

- ☐ Business tort/unfair business practice (07)  
☐ Civil rights (08)  
☐ Defamation (13)  
☐ Fraud (16)  
☐ Intellectual property (19)  
☐ Professional negligence (25)  
☐ Other non-PI/PD/WD tort (35)

## Employment

- ☐ Wrongful termination (36)  
☐ Other employment (15)

## Contract

- ☐ Breach of contract/warranty (06)  
☒ Rule 3.740 collections (09)  
☐ Other collections (09)  
☐ Insurance coverage (18)  
☐ Other contract (37)

## Real Property

- ☐ Eminent domain/Inverse condemnation (14)  
☐ Wrongful eviction (33)  
☐ Other real property (26)

## Unlawful Detainer

- ☐ Commercial (31)  
☐ Residential (32)  
☐ Drugs (38)

## Judicial Review

- ☐ Asset forfeiture (05)  
☐ Petition re: arbitration award (11)  
☐ Writ of mandate (02)  
☐ Other judicial review (39)

## Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)

- ☐ Antitrust/Trade regulation (03)  
☐ Construction defect (10)  
☐ Mass tort (40)  
☐ Securities litigation (28)  
☐ Environmental/Toxic tort (30)  
☐ Insurance coverage claims arising from the above listed provisionally complex case types (41)

## Enforcement of Judgment

- ☐ Enforcement of judgment (20)

## Miscellaneous Civil Complaint

- ☐ RICO (27)  
☐ Other complaint (not specified above) (42)

## Miscellaneous Civil Petition

- ☐ Partnership and corporate governance (21)  
☐ Other petition (not specified above) (43)

2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

- a. ☐ Large number of separately represented parties d. ☐ Large number of witnesses  
b. ☐ Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. ☐ Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court  
c. ☐ Substantial amount of documentary evidence f. ☐ Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. ☒ monetary b. ☐ nonmonetary; declaratory or injunctive relief c. ☐ punitive

4. Number of causes of action (specify): THREE (3)

5. This case ☐ is ☒ is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: December 29, 2014

THOMAS CAUDILL, ESQ.

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

## NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2