

DEPOSIT ACCOUNT AGREEMENT & DISCLOSURE

[Effective August 1, 2024]

You Define Service, We Deliver It.

BAC
Community Bank

banking. always connected.

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INTRODUCTION

Welcome to BAC Community Bank, also referred to as the “Bank” in this document. We appreciate your interest in our products and services.

This Deposit Account Agreement & Disclosure, also referred to as the “deposit contract”, describes the terms of your deposit accounts with the Bank. If there is more than one owner or accountholder on your account, the word “you” in this deposit contract will refer to each accountholder. **It is important that you carefully review this deposit contract because it contains important information about your account, important terms and agreements by the Bank that can be enforced by you and important terms and agreements by you that can be enforced by the Bank. The following terms are applicable to all accounts you maintain with the Bank. If you do not agree with them, you should not open an account with the Bank, or you should close your existing accounts.**

The terms of this deposit contract and those in other disclosures and forms signed by you or furnished to you in connection with your deposit account may be changed at any time and from time-to-time by the Bank. The changes the Bank makes in this fashion may be to modify or delete certain terms of the deposit contract, or to add entirely new terms to the deposit contract. Such changes will become effective on the date specified in the Bank’s notice regarding the changes. Except, no change will affect a time deposit account prior to the first maturity date that occurs following the announced effective date of change. If you do not approve of a change, you may reject it by closing your account before the scheduled effective date of the change. Otherwise, your continued maintenance of your account will be deemed as your acceptance of all changes to this deposit contract announced by the Bank. The Bank will notify you of any changes by posting a notice of change on the homepage of the Bank’s web site at www.bankbac.com, by including a message on or with your account statement, or by any other means that the Bank considers appropriate, unless the laws governing your account requires notice by a specific means.

IMPORTANT INFORMATION ON PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

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

USING CREDIT AND OTHER REPORTS TO EVALUATE ACCOUNT APPLICATIONS AND ELIGIBILITY FOR SERVICES

You authorize us to make any inquiries that we consider appropriate to determine if we should open, maintain or close your account. This may include ordering a credit report or other report on you or any authorized signer on your account. Other reports we may use to evaluate your account application or your ongoing relationship with us includes information from federal agency reports, the motor vehicles department or other state agencies in which you or any authorized signer have resided.

TELEPHONE CALLS: CALLING, MONITORING AND RECORDING

When you give a telephone number directly to us, or place a telephone call to us, you authorize us to place calls to you at that number. You understand that a “telephone number” includes a cell phone number and “calls” include both telephone calls and text message to or from your phone or cell phone. As examples, we may place calls to you about fraud alerts, deposit holds, and amounts you owe us (collection calls) on your account. When we place calls to you, we may use automatic dialers and artificial, text, or prerecorded messages.

You authorize us to monitor, and to record, telephone conversations and other electronic communications you have with us and with our representatives for reasonable business purposes, including security and quality assurance. We will not remind you that we may be monitoring or recording a call at the outset of the call unless required by law to do so.

You consent and agree in advance to these terms and conditions.

OWNERSHIP OF PERSONAL ACCOUNTS

These rules apply to this account depending on the form of ownership as specified in the account records. We make no representations as to the appropriateness of effect of ownership and beneficiary designations, except as they determine to whom we pay the account funds. As used in this deposit contract “party” means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account other than as an agent.

Individual Account: Is an account in the name of one person.

Joint Account: This account is owned by the named parties. Upon the death of any accountholder, ownership passes to the survivors.

Joint Account of Husband and Wife with Right of Survivorship: This account is owned by the named parties, who are husband and wife, and is presumed to be their community property. Upon the death of either of them, ownership passes to the survivor.

Community Property Account of Husband and Wife: This account is community property of the named parties, who are husband and wife. The ownership is generally determined by the laws applicable to community property and may be affected by a will.

Tenancy in Common Account: This account is owned by the named parties as tenants in common. Upon the death of any party, the ownership interest of that party passes to the named pay-on-death or P. O. D. payee of that party or, if none, to the estate of that party and is subject to the Bank's right to setoff and security interest in the account.

P.O.D. Account with Single Party: This account is owned by the named party. Upon the death of that party, ownership passes to the named pay-on-death payee.

P.O.D. Account with Multiple Parties: This account is owned by the named parties. Upon the death of any of them, ownership passes to the survivors. Upon death of all of them ownership passes to the named pay-on-death payee.

California Uniform Transfer to Minors Act Account or "CUTMA": This account is established under the California Uniform Transfer to Minors Act and is controlled by the designated custodian or a successor custodian. The custodian must comply with all requirements of the state and federal UTMA/UGMA laws applicable to the account. The Bank shall have no responsibility to ensure the custodian properly performed their duties and will not be held liable for any misappropriations of funds. All funds deposited in the account irrevocably become the property of the minor, and the custodian is to manage the funds only for the use/benefit of the minor. Only one custodian and one minor are allowed per account. The law imposes certain fiduciary and recordkeeping obligations on the custodian and requires that interest earnings be reported to the IRS under the minor's Tax ID Number. Only the named custodian or a successor custodian is authorized to instruct the bank regarding the account. We may, however, disclose information about the account to the minor or act on the instruction of the minor once the minor reaches the age of majority. Consult your legal counsel if you have questions about your obligations as a custodian.

BUSINESS ACCOUNTS

We may require the governing body of a legal entity opening an account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we receive written notice of a change from the governing body of the legal entity.

FICTITIOUS BUSINESS NAME ACCOUNTS

If the name in which the account is held is fictitious, each accountholder represents that one or more of the accountholders have the right to use that name and have fulfilled all legal requirements for using and or doing business under that name.

ACCOUNT CONSIDERATIONS

AUTHORIZED SIGNER

An authorized signer is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

SIGNATURE REQUIREMENTS

If you indicate on your account agreement or other account opening documents that more than one signature is required for withdrawal, this indication is for your own internal procedures and does not bind us to your internal policy and procedures. We have no liability if funds are paid from your account when the check, item or other withdrawal instruction is authorized by any one of the persons authorized to sign on the account.

ELECTRONIC SIGNATURES AND NOTICES

If your items are signed using any facsimile, mechanical, computer generated, digital, electronic or non-manual form of signature, you acknowledge that it is solely for your benefit and convenience. You accept sole responsibility for maintaining security over any machine, computer or device used to affix the signature. Such signature will be effective as your signature regardless of whether or not the person affixing it was authorized to use your signature. You agree to indemnify and hold us harmless from all losses resulting from our honoring an item in any instance in which the item bears or purports to bear an electronic, digital, mechanical or facsimile signature resembling an electronic, digital, mechanical or facsimile signature on file with us, regardless by whom or by what means the signature was affixed to the item.

From time to time, with your prior consent, we may provide you with certain notices, disclosures or contracts, some of which are required by law to be "in writing". The Federal E-SIGN Act and certain state laws allow us to provide you these written notices, disclosures or contracts electronically. These laws also allow the use of electronic signatures and recognizes them as legally binding. This consent relates to any electronic records or signatures associated with any of your products or services. We reserve the right to provide you notices, disclosures or contracts

in paper, or require an original signature even if you have consented to receive electronic records. You may also request any electronic documents in paper form or withdraw your consent to receive electronic documents. For additional information on your rights, to request a paper document or to opt-out of receiving electronic documents please contact Customer Service at (877) 226-5820 or use the opt-out option included in most emails.

POWER OF ATTORNEY

The Bank is sometimes asked to honor instructions given by someone claiming to act on behalf of a depositor under a power of attorney. The Bank reserves the right to refuse to act upon those instructions if the Bank is not reasonably certain that the power of attorney is valid and covers the transaction requested. Therefore, it is suggested that if you wish to appoint an agent to transact business with the Bank on your behalf, you should consider using the Bank's standard Power of Attorney form. You and your agent should sign the form at the Bank and you should renew your power of attorney authorization regularly.

If you want your agent to be able to handle your affairs even if, or only if, you become legally incapacitated, you should be sure that the power of attorney form you sign is a *durable* power of attorney designed for that purpose. Otherwise, even a recently signed and completely valid power of attorney will not be honored by the Bank once the Bank learns that you have become legally incapacitated. Upon the death of the account holder the Power of Attorney is no longer valid and the Attorney in Fact will no longer have any rights to the account. The Bank strongly advises you to seek advice of a lawyer before deciding whether a durable power of attorney will meet your needs.

You understand that when the Bank is requested to honor the instructions of one claiming to be your agent upon presentation of a power of attorney form, whether on a standard Bank form or one you and your attorney prepared, the Bank will have to consider the authenticity and continued validity of the power, evaluate the power and determine whether the instructions are consistent with it. You agree not to hold the Bank responsible for any loss or damage you may incur as a result of the decision the Bank makes whether to follow or not follow the instructions given by the agent as long as the Bank's decision is made in good faith.

YOUR CONTACT INFORMATION

It is important that the Bank's record of your contact information be kept current. Otherwise, you will not receive notices or other correspondence the Bank may send you from time to time. You agree to accept full responsibility for keeping the Bank's record of your address, email and phone number up to date and that any notice, including notices of interest rate changes, changes of the fees and charges imposed by the Bank, and any other notice the Bank sends you will be effective if sent to the last address or email address you have furnished to the Bank. You also agree that any notice to or from any accountholder for your account will be effective for all accountholders except as otherwise stated in this deposit contract in connection with disputes. You agree that if a notice or other correspondence sent to your address or email address according to the Bank's records is returned by the postal service or email service provider as undeliverable for any reason other than the Bank's failure to pay proper postage, the Bank need not send future notices to you until you have furnished the Bank with new contact information. You agree to be bound by any notice not sent to you because previous mailings were undeliverable.

PAPERLESS STATEMENTS

Paperless statements refer to you consenting to our Electronic Disclosure and Consent thus authorizing delivery of bank account statements electronically instead of receiving paper statements by postal mail. You will be provided an electronic version of your statement that you can view, save to your computer, or print at your convenience. Any legal notices or disclosures that normally accompany your mailed statement or that we would otherwise deliver to you by postal mail concerning your account may be delivered to you electronically through online banking, mobile banking or through email to the email address associated with your paperless statement.

PAPERLESS STATEMENT ENROLLMENT

To discontinue the receipt of paper statements by postal mail, you must enroll each account for paperless statements. For deposit accounts with multiple owners, only one account owner needs to enroll the account. You will be required to provide or validate your email address and accept the terms in our Electronic Disclosure and Consent Agreement.

ACCESSING PAPERLESS STATEMENTS

You must be enrolled in online banking or mobile banking to view paperless statements.

For security reasons, if you do not access your account through online banking or mobile banking for any consecutive six-month period, we may temporarily disable your access to online banking and mobile banking until you re-enroll. Your paperless statements will continue to be archived in our system based on your decision to receive paperless statements. Upon re-enrollment to online banking or mobile banking, you will be able to view your paperless statements.

EMAIL ADDRESS MAINTENANCE

It is your responsibility to promptly notify us if you change your email address by updating your online banking profile; calling us at (877) 226-5820; writing us at BAC Community Bank, ATTN: Customer Service, P.O. Box 1140,

Stockton, California 95201-1140; or visiting any of our branch offices. You can only change your email address, not the email address of any other account owner, authorized signer, or online banking user.

TERMINATION OF PAPERLESS STATEMENTS

Either you or we may terminate delivery of paperless statements on your account without notice. You may terminate your paperless statements without charge, however, such a change may impact other fees, discounts or reward qualifications. Any change will take effect on your next statement cycle. Changing the way we send your account statements also authorizes us to send you other disclosures and communications concerning your account using the same method.

TRANSACTIONS

CUT-OFF HOURS

Even though the Bank may be open for longer hours, on weekends, or in a limited fashion on holidays through its ATMs, online banking and mobile banking apps, certain transactions must be initiated before certain times on a business day or the transaction will be processed as of the following business day. A business day is Monday through Friday, excluding bank holidays.

- The cut-off hour for ATM deposits is 3:00 p.m. (Pacific Time) each business day.
- Express Deposits are collected at 9:00 a.m. and processed by 10:00 a.m. (Pacific Time) each business day.
- The cut-off hour for Mobile deposits is 4:00 p.m. (Pacific Time) each business day.
- The cut-off hour for in-branch deposits is the close of the business day.
- The cut-off hour with respect to any knowledge, notice, or stop payment order received by legal process with respect to a check is the close of the business day.

DEPOSITS

Deposits to and withdrawals or transfers from a deposit account can be accomplished through a number of vehicles, including checks, drafts, electronic transfers, and transfers initiated over the telephone, by wire transfer, clearing house or through written instructions. For simplicity, all of such vehicles are sometimes collectively referred to in this agreement as “items.”

All deposits other than cash deposits will be accepted by the Bank subject to actual collection from the financial institution the item is drawn on. The Bank may in some cases give immediate credit or credit as of the next business day for the item. In other instances, the Bank may put a hold on a deposited item to allow for the time the Bank expects it will take to collect the item from the financial institution upon which it is drawn. If a hold is placed on a deposit you will be notified and advised of the length of the hold. You will not be able to withdraw those funds until the hold is released. Please refer to the [“Your Ability to Withdraw Funds”](#) section of this document for details. The Bank also reserves the right to accept items on a collection basis only, in which case the item will not be considered deposited to your account or available for withdrawal unless and until actual payment of the item is received by the Bank.

You authorize the Bank to endorse and collect any item payable to you or your order whether or not you have endorsed the item and whether the item is deposited to your account or the Bank cashes the item for you. This authorization also applies if you improperly endorse any item payable to you or your order.

Each account owner is individually and jointly responsible for paying any overdrafts created by any authorized signer or party on the account, whether or not the owner participates in the transaction or benefits from its proceeds. You agree that subsequent deposits, and other credits to the account, may be used to satisfy an overdraft regardless of the source of such deposit, including, without limitations, deposits of government, welfare, retirement, or Social Security benefits.

The Bank reserves the right to refuse any deposit you want to make if it does not conform to the Bank’s standards for deposits or if the Bank has a limitation on the size of any account balance for the type of account you have.

ADJUSTMENTS AND CORRECTIONS

You agree that we may make adjustments or corrections to your account from time to time resulting in changes to your account balance. Adjustments might occur, for example, if transactions are recorded in the wrong amount. Corrections might occur, for example, if deposited items do not balance to the total listed on your deposit slip. You also agree that we may, at our sole discretion, ignore any overstatement in the amount of your deposit which is less than or equal to \$5.00, unless you request a correction at the time you discover the error.

DIRECT DEPOSITS

If, in connection with a direct deposit plan, we deposit any amount in your account which should have been returned to the government for any reason, you authorize us to deduct the amount of the liability to the government from your account or from any other account you have with us without prior notice and at any time, except as prohibited

by law. If you have withdrawn these amounts, you agree to repay them to us upon demand. We may also use any other legal remedy to recover the amount of your liability.

DEPOSITED ITEMS RETURNED

You authorize the Bank to reverse any immediate or later deposit credit given to your account in connection with an item that is not paid by the financial institution upon which it is drawn. This includes if the Bank has cashed the item or allowed you to withdraw the funds. You also authorize the Bank to reverse any deposit or credit or charge your account in connection with a check the Bank has cashed for you if the person who drew the item or any other person or financial institution with an interest in the item claims that any required endorsement on the item, such as that of a co-payee or previous payee, is forged, unauthorized or missing or that the item has been altered. The Bank's rights in this regard do not depend upon whether the item actually bore a forged endorsement, an endorsement was actually unauthorized or missing or the item was actually altered. If you have insufficient funds to cover a returned item, we may overdraw your account. You agree to repay us immediately.

The Bank may, without notice to you, redeposit a returned deposited item, and represent it for payment by any means, including electronic means, unless the Bank has received instructions from you not to redeposit such deposited item. The Bank will have no liability for taking or failing to take any action to recover payment of a returned deposited item. If a returned item is redeposited and returned multiple times it may result in multiple Returned Deposited Item fees to your account.

Business accounts may be charged any applicable fees as stated in the *Business Deposit Accounts Fee & Information Schedule*.

LOST, DELAYED OR DESTROYED DEPOSITED ITEMS

You understand that while the banking system is quite efficient, items are sometimes lost, delayed or destroyed in transit and mistakes sometimes occur. The Bank will exercise ordinary care when it handles your deposit or an item that the Bank has cashed for you. However, the Bank will not be responsible if an item is delayed, destroyed or lost in transit after it leaves the Bank; if an item is lost by the Bank despite the maintenance by the Bank of a processing, tracking and filing system designed to eliminate or substantially control such losses or; if an item is lost by another bank, clearinghouse or transit operator attempting to collect or transport the item for the Bank on your behalf.

If a deposited item is lost or destroyed during processing or collection, either at the Bank or at another point in the payment system, you agree to cooperate fully with the Bank, at your expense, to reconstruct the deposited item by promptly:

- Providing the Bank with a copy of the front and back of the deposited item from your or the issuer's records;
- If the deposited item has not been paid, asking the issuer to place a stop payment on it, at the Bank's expense, and issue a replacement item to you; or
- Reviewing your records and conducting any additional research as may be reasonable to determine the issuer's identity, if you do not know the identity of the issuer of the deposited item.

If you fail to cooperate with the Bank, the Bank may reverse or otherwise adjust any credit made to your account for a lost or destroyed deposited item, at any time without advance notice to you.

DEPOSIT OF REMOTELY CREATED CHECKS

You agree not to deposit a remotely created payment instruction or order drawn on a person's account that is created by the payee or the payee's agent and deposited into or cleared through the check clearing system unless we specifically agree to accept such checks for your deposit under a separate agreement which will allow us to recover from you any warranty claims we have paid.

WITHDRAWALS

Withdrawals of all or any part of your account balance will be permitted by any authorized signer per the account agreement for your account. This means that the Bank may allow anyone with signing authority over your account, as shown on the account agreement, to withdraw up to the entire amount in your account without the express and specific concurrence of any other signer on your account.

Depending upon the type of your account, withdrawals may occur upon presentation of a preprinted personalized check, a temporary check, a counter-check or another form of withdrawal, including a withdrawal order initiated by a third party drawing a draft on your account or initiating an electronic funds transfer if the third person is authorized to do so by you or any other person with signing authority over your account. In this respect, if you authorize a company to draw items against your account to pay bills for you or you have arranged an automatic payment plan for the purchase of goods or services or to repay funds you have borrowed, you understand and agree that because the Bank will not be able to determine whether a given item is actually authorized by you, the Bank is authorized to honor any items that are prepared by such company whether or not you have actually authorized the company to draw that item on your behalf and even though the item will not bear your signature or that of any other person. Usually such items are signed with "signature on file" or words of similar effect. Under certain conditions the Bank

may also follow other forms of withdrawal instructions from you or others with signing authority over your account, such as instructions given by letter or over the telephone. Withdrawals at the direction of others may occur even if you maintain control over all preprinted personalized checks or other deposit records for your account because the Bank may not require that the person making the withdrawal present a preprinted check or other deposit record, although the Bank reserves the right to do so, at its discretion.

You recognize that the Bank uses automated processes to handle items drawn against your account and that the Bank may not review or honor limitations that may be written or printed on your item, such as “Void After 90 Days” or “Not Valid for more than \$500” before paying an item. You agree that the Bank may pay such items and debit your account for them even if the limitation would be violated, such as by paying an item after a stated expiration date.

EXAMINING NEW CHECKS AND DEPOSIT SLIPS

We will not be responsible for any costs or losses that may result from checks or deposit slips not purchased through the Bank if our equipment is not able to read and process them properly. If there is a problem processing your checks or deposit slips obtained elsewhere, we may charge your account for extra handling.

You must verify the accuracy of all information shown on your checks. If you find an error, do not use the checks. Notify us immediately of the error. Also, you may not use check stock which cannot be photocopied. Our liability in matters resulting from incorrectly printed checks you have obtained through us is limited to the replacement or cost of the checks, whichever is less. You agree to indemnify us against any liability we may incur from incorrect information on any check you write. If information is incorrect on any deposit slip you use, we may take additional time processing your deposit without incurring any liability to you.

POST-DATED ITEMS

Portions of the Bank’s payment system have been automated to facilitate the efficient and economical processing of a large number of items each day. As a result, the Bank is unable to assure that it will refuse payment of a post-dated item before its stated date.

ADVANCED NOTICE FOR WITHDRAWALS FROM SAVINGS OR MONEY MARKET ACCOUNTS

The Bank may at any time require seven days advance notice before you may withdraw funds from any savings or money market account, in accordance with federal law.

TRANSACTION LIMITATIONS AND EXCESS WITHDRAWAL FEES

Savings and money market accounts are designed to help accountholders set aside and save funds as needed. These accounts are not transaction accounts therefore no more than 6 withdrawals of any type are permitted during your monthly statement cycle. For all savings and money market accounts your statement period is the calendar month.

What happens if you exceed your limit? If you exceed the limits established for your account type, you may be charged an excess withdrawal fee. If you regularly exceed 6 withdrawals of any type during a statement cycle, BAC Community Bank may convert your savings or money market into a checking account or may close your account. Refer to our separate *Deposit Accounts Fee & Information Schedule*.

AUTOMATED TELLER MACHINE AND OTHER ELECTRONIC WITHDRAWALS

Regardless of what your account agreement indicates, if a debit card has been issued to anyone who has an ownership interest in or signature authority over your account, or if anyone has ownership interest in or signature authority over your account authorizes a third party to draw a draft on or to initiate an electronic funds transfer from your account, the Bank will honor the transaction. Please see the “[Electronic Fund Transfers](#)” section of this agreement concerning your rights when you open an account to be maintained primarily for your personal, family or household use. The Electronic Fund Transfer Act does not apply to business accounts.

DEBITING YOUR ACCOUNT; ORDER OF POSTING

Your account may be debited on the day an item is presented by any means, including but without limitation, electronically, or at an earlier time based on notification we received that an item drawn on your account will be presented for payment or collection. Transactions are processed and paid against sufficient funds in the following order:

- Debit Card Transactions (*smallest amount to largest amount*),
- Electronic Funds Transfers (*smallest amount to largest amount*), and
- Checks (*in check number order*)

Debit card transactions are processed using the settlement date, which may be different from the approval or purchase date. We may change the order of posting items to your account anytime without notice to you.

MATERIAL APPEARING ON THE BACK OF ITEMS; CHECK LEGENDS

You are responsible for losses incurred by anyone who cashes or accepts your items for deposit, if the loss is due to a delay in the return of the item and the delay is caused by material appearing on the back of the item when it was

issued or transferred to you. The material may include, but is not limited to, carbon bands, blacked-out areas and printed or written text or numbers. You are responsible for all losses, claims, damages and expenses that result from a restrictive legend or notation on your checks at the time we receive them.

STOP PAYMENT ORDERS

You may stop payment on a pre-authorized debit or a check drawn on your account provided that the Bank has had a reasonable opportunity to act on your request before paying, cashing or otherwise becoming obligated to pay your item. Each stop payment order is subject to the Bank's verification that the item has not been paid. We may charge you a fee for each stop payment order and each renewal of the order.

With proper identification, we may accept a written or oral stop payment order from any owner or authorized signer on the account. We may require you to complete a form authorizing the order. You must give us the following exact information:

- Account number
- Amount
- Check number
- Payee name

We may use any or all of this information to identify and stop payment on an item.

If you give us stop payment information that is incorrect, we may pay the item you intended to stop or not pay a valid item that aligns with the incorrect information you provided. You agree to hold the Bank, its officers, directors, employees, shareholders and agents harmless from and against any losses incurred by the Bank as a result of:

- the Bank paying an item if any of the information relied upon in the stop payment order is incorrect or incomplete
- the Bank not paying an item for which a stop payment order is in effect

We will send you a written confirmation of your stop payment order. Information in the confirmation will be considered correct unless you notify us of any errors.

We will pay a post-dated item and charge it to your account even if it is presented for payment before its date. You may stop a post-dated item by giving us a stop payment order.

Even though the Bank returned an item due to your stop payment order, you may still be liable for the amount of the item.

DURATION

A check stop payment order is valid for 18 months. For consumer accounts a stop payment on a pre-authorized Automated Clearing House (ACH) debit will remain on the account until the account is closed, the stop payment has been cancelled or if a one-time stop has been returned. On business accounts a pre-authorized ACH debit stop payment is valid for 6 months. However, in our sole discretion, we may elect to honor a stop payment order for a longer period of time without notice to you. At expiration, you may place a new stop payment order. An additional stop payment fee will be charged. If the item is presented to us for payment after the stop payment order expires, we may pay the item.

CANCELLATION

You may cancel a stop payment order by giving us oral or written instructions provided that the Bank has had a reasonable opportunity to act on your request.

LIABILITIES

If we pay an item subject to a valid stop payment order we may be liable to you for the amount of loss you suffered or the amount of the item, whichever is less. We are not liable to you for any special, incidental or consequential loss or damage of any kind. Refer to the "[Electronic Fund Transfers](#)" section of this document for additional information regarding pre-authorized payment.

CASHIER'S CHECK CANCELLATION

If a cashier's check is lost, stolen or destroyed, you are required to provide us with a written statement, in a form we deem acceptable, in order to cancel the item. We are not required to refund the money used to purchase the cashier's check, or issue a replacement check, until and unless the check is not presented for payment within 90 days after the issuance date. You agree to hold us harmless and indemnify us from any dispute that the check payee may pursue as a result of us refusing to honor the cashier's check.

SUBSTITUTE CHECKS AND YOUR RIGHTS

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

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other laws with respect to those transactions.

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

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

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

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

How do I make a claim for a refund? If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact Customer Service:

BAC COMMUNITY BANK
ATTN: CUSTOMER SERVICE
P.O. BOX 1140
STOCKTON, CALIFORNIA 95201-1140
Business Days: Monday through Friday
Excluding Federal Holidays
(877) 226-5820
Email: customer.service@bankbac.com

You must contact us within 40 calendar days of the date that we mailed or otherwise delivered by a means to which you agreed, the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

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

Deposit of Substitute Checks: You agree not to deposit a substitute check, as defined in Federal Regulation CC, 12 CFR part 229, if doing so would cause us to be a reconverting bank. If we specifically agree with you to be a reconverting bank, then you agree to reimburse us for any losses, costs, or expenses we incur because action or inaction by you causes an item provided by you to us to fail to meet any applicable substitute check standards or causes a breach of a substitute check warranty, including that the substitute check meets the requirements for legal equivalence and the requirement that no duplicate presentment occur. You also agree to reimburse us if your action

or inaction on a substitute check causes an indemnity claim for loss due to the receipt of a substitute check instead of an original check. These promises of yours to reimburse us cover losses, costs or expenses on any substitute check or paper or an electronic representation of a substitute check that you provide to us; they apply without limiting other rights we may have under this or other agreements with you. We are not under any obligation to be a reconverting bank for you, and we can refuse any item that would cause us to be a reconverting bank, unless we have a separate agreement with you that provides otherwise.

USE OF EXPRESS DEPOSITORY

The Bank maintains an Express Depository, also known as a Night Depository, for the convenience of its customers. While the Bank undertakes to maintain the Express Depository with reasonable care intended to secure the property placed therein, the Bank cannot and will not become a bailee nor will it take any responsibility for the safety and security of money or negotiable items placed in the Express Depository until a Bank employee, during normal business hours, opens the Express Depository and takes actual possession of the property contained therein. Customer agrees that bags or envelopes placed into the Express Depository will be opened by the Bank. Money, checks, and similar items are to be deposited into Customer's account as designated on the deposit slip, which accompany the deposit. If the property is not capable of being handled as a bank account deposit, the Bank will hold the property until instructions are received from the property owner. The Bank will not insure items placed in the Express Depository and the Bank not insuring them will not constitute failure to exercise reasonable care. Customer agrees to assume all risk of loss with regard to property placed in the Express Depository until removed by a Bank employee. Furthermore, the Bank does not assume any responsibility for consequential damages even if they result from loss after the Bank takes actual possession of the money or negotiable items. Customer must exercise due care when placing items into the Express Depository and must promptly report to the Bank any problems or unsafe or insecure conditions that they observe regarding the Express Depository.

ACH ITEMS AND WIRE TRANSFERS

The Bank may send or receive debit or credit items affecting your account which are subject to the National Automated Clearing House Association Operating Rules and Guidelines, known as the ACH rules. For simplification, in this disclosure, "ACH Rules" will also include any additional laws, regulations, rules, guidelines and operating circulars which may apply. You understand that such items will be processed in accordance with the ACH Rules which apply to them due to the method of their transmission or delivery to or from the Bank and you agree to be bound thereby.

BUSINESS DEPOSIT ACCOUNTS

You acknowledge and agree that if you request us to transmit an ACH return transaction in connection with any problem, including a claim of erroneous or unauthorized ACH debit posted to your account, the related originating depositing financial institution has no obligation to accept that return transaction if the return request is not made within the applicable time frame set forth in the ACH Rules. We will respond to your reported problem and attempt to pursue your request with the originating depository financial institution as long as you report the problem to us in writing within 30 days after the statement first reflecting the transaction was mailed to you; however, we do not guarantee that we will be able to recover your funds if you notify us of the problem beyond the ACH Rules time frames. In some cases, depending on the facts, your claim may not be honored, and you would incur a loss.

ACH PROVISIONAL PAYMENT RULE

Under ACH rules, transfers of funds sent through an ACH system are provisional. This means that they may be revoked prior to final settlement. You understand that your agreement to the ACH rules and the terms of this deposit contract, allows the Bank to reverse any deposit to your account if the deposit was based on a provisional transfer through an ACH and the Bank does not receive final settlement of the transfer, regardless of the reason. If this happens, the person who sent the funds to you will be deemed not to have paid you. You agree that the Bank need not send you a separate notice regarding a reversal of an ACH deposit, although it may do so. In any case, you will be notified of the deposits and reversals on your account statement. If you have insufficient funds to cover a revoked item, we may overdraw your account. You agree to repay the Bank immediately.

NOTICE OF RECEIPT OF PAYMENT

Whether a deposit is received for your account under the ACH rules or by wire transfer outside of the ACH rules, you agree that the Bank is not required to give notice to you of the deposit other than by showing the deposit in your next regular deposit account statement, even if the ACH or wire transfer rules would otherwise require such a notice, and that no interest liability will arise under California Commercial Code § 11404(b) even if no special notice is sent to you.

CHOICE OF LAW

Except to the extent that federal law controls, disputes concerning the acceptance and handling by the Bank of ACH transactions will be governed by the internal laws of the State of New York as provided by the ACH rules. Except to the extent that federal law controls, all other controversies will be resolved in accordance with the internal laws of the State of California.

INTEREST

Interest on deposits to an interest-bearing account will begin no later than on the day the Bank receives provisional credit for a deposited item as the item goes through the collection process. Interest paid on such deposits is subject to reversal if the item is not ultimately paid.

If you close your interest-bearing account before interest has been credited to your account on the regular interest payment date for the account, no interest for the final interest payment period will be paid for that period. Because the rates payable on the Bank's interest-bearing accounts and the methods used to calculate interest are subject to change from time to time, these details are not included in this document. A copy of the current interest rate schedule, which contains all of the details about interest not discussed in this document, will be supplied when you open your account and is available at each branch of the Bank.

The Bank intends to adjust the interest rates payable on all of its deposit accounts as market conditions change from time to time. You agree that the Bank may change the rate or rates of interest payable on your deposit. You agree that changes may also be made in the way interest is calculated. This agreement to calculation changes does not apply to time deposits during the term of the deposit. You will be given notice of any of these changes only if the law requires it. Therefore, you should check with the Bank as frequently as you think is important to assure that the rate the Bank is currently paying on your account is acceptable to you. This agreement to rate changes does not apply to fixed rate time deposits during the term of the deposit. If your fixed rate time deposit is subject to renewal, the Bank may change the rate and any calculation method as of the maturity or renewal date upon advance notice to you. If you do not approve of the change you can withdraw your deposit at maturity without penalty.

EARLY WITHDRAWAL PENALTY FOR TIME DEPOSITS

The Bank, in its discretion, may permit you to make an early withdrawal from a time deposit account. However, certain penalties may apply if the early withdrawal is permitted. The details about any applicable early withdrawal penalty are defined in the *Deposit Accounts Fee & Information Schedule* available online or upon request and was furnished to you when you opened your time deposit account.

SERVICE FEES AND OTHER CHARGES

Depending upon the type of account you have, various charges may be imposed. Because the amount and types of these charges will change from time to time, details about these charges are separately described in the Bank's *Deposit Accounts Fee & Information Schedule*. You agree that the Bank may change its *Deposit Accounts Fee & Information Schedule* from time to time and you agree to pay the charges imposed on your account according to the then effective schedule. You will be given notice of these changes when required by law. Therefore, you should check with the Bank as frequently as you think necessary to assure that you are being or will be charged rates and fees that are acceptable to you. You will receive a copy of the current *Deposit Accounts Fee & Information Schedule* when you open your account and additional copies are available at each branch of the Bank and on our web site.

PREVENTING FRAUD

You have a duty to protect your account against fraud. You must promptly examine and reconcile your statement and, if applicable, any items, upon receipt. If you suspect that a check or endorsement is altered or forged, contact us immediately.

- Watch for out-of-sequence checks and review your transaction activity often.
- Never leave unused checks in the open or in an easily accessible location. Destroy any checks that are no longer needed.
- Do not keep your Personal Identification Number (PIN) with or written on your debit card.
- Do a thorough background check on bookkeepers, accountants, employees, or other persons who may be handling any part of your banking or who have access to your confidential records.

You must exercise reasonable control over your statements, checks, deposit slips, endorsement and signature stamps, debit and ATM cards, PIN, and other access devices. It is your responsibility to keep them safe and secure and to promptly discover and report if any of them are missing in time to prevent misuse. You assume full responsibility for monitoring and reviewing the activity of your account, the work of your employees, agents and accountants, and any use they make of your account.

We may deny a claim for losses due to forged, altered or unauthorized transactions, items, or signatures if you do not guard against improper access to your checks, statements, deposit slips, endorsement and signature stamps, and account information. We may also deny your claim if you do not monitor your account and report problems.

We offer certain fraud prevention and detection products and services to business customers. If we have offered you one or more of these services, and you decline to use them or fail to implement them, or you fail to follow the procedures necessary for proper use of these products or services, or you fail to follow other precautions reasonable

for your particular circumstances, you are precluded from asserting any claims against us for paying any unauthorized, altered, counterfeit or other fraudulent item that such product, service, or precaution was designed to detect or deter, and we will not be required to re-credit your account or otherwise have any liability for paying such items.

We reserve the right to monitor any and all activity related to your account if we suspect any irregular, unauthorized, fraudulent, suspicious or unlawful activities. If unusual transaction activity is detected, we will make reasonable effort to contact you. We may decline, prevent, or delay any or all transactions to or from your account, freeze all or some of the funds in your account and other accounts with us that you maintain or control and otherwise restrict access to your account, including blocking your debit card until such time as we are able to complete our investigation of the account and transactions. We may take these actions in our sole discretion and without any liability to you.

Our right to monitor does not replace your responsibility to review your activity or change your liability regarding reporting unauthorized activity to the Bank.

STATEMENTS AND RESPONSIBILITY TO REVIEW

We provide statements to all checking and savings account customers. These statements include all account activity for the statement period. You agree to inspect your statements as soon as you receive them and to report any irregularities or unauthorized transactions to us immediately. If you do not report any irregularities or unauthorized transactions within 30 days after the statement is mailed or made available, we will not be liable for payment of any forged checks or unauthorized withdrawals shown on this statement.

If you fail to notify us in writing of suspected problems or unauthorized transactions within 30 days after we make your statement available to you, you agree that:

- You may not make a claim against us relating to the unreported problems or unauthorized transactions, regardless of the care or lack of care we may have exercised in handling your account and,
- You may not bring any legal proceeding or action against us to recover any amount alleged to have been improperly paid out of your account.

For unauthorized electronic fund transfers on a consumer account, you must notify the Bank within 60 days of the statement date to limit your liability for the amount of such unauthorized transactions. Refer to the [“Electronic Fund Transfers”](#) section of this document.

OPENING A NEW ACCOUNT

If you or we suspect that your account is or may be compromised, we may recommend that you close your account and open a new account. If there are any unauthorized transactions on your account, we recommend that you close your account and open a new one. If we recommend that you close your account and you do not do so, we are not liable to you for subsequent losses or damages on the account due to unauthorized transactions. When you open a new account, you are responsible for notifying any third parties that need to know your new account number.

CLAIM OF LOSS

If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss. This may include, providing us an affidavit containing whatever reasonable information we require concerning your account, the transaction, the circumstance surrounding the loss, or filing a crime report. You agree that you will pursue and not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources. You agree that we have a reasonable period of time to investigate the facts and circumstances surrounding any claimed loss and that we have no obligation to “provisionally” credit your account. Our maximum liability is the lesser of your actual damage proved, or the amount of the forgery, alteration, or other unauthorized withdrawal, reduced by an amount, which could have been prevented by your use of ordinary care to prevent such incident. In no event will we be liable for special or consequential damages, including loss of profits or opportunity or for attorneys’ fees incurred by you.

BUSINESS INSURANCE

If your claim of loss relates to a business account, you agree to pursue all rights you may have under any insurance coverage you maintain before making a claim against us in connection with any transaction involving your accounts. You will provide us with all reasonable information about your coverage, including the name of your insurance carrier, policy number, policy limits and applicable deductibles. Our liability is reduced by the amount of all insurance proceeds you receive or are entitled to receive. At our request, you agree to assign to us your rights under your insurance policy.

HANDLING OF ACCOUNTS**SUB-ACCOUNTS**

For regulatory accounting purposes we may classify checking accounts as two sub-accounts; a checking sub-account and a savings sub-account. For interest-bearing checking accounts, we calculate and pay interest at the same rate and in the same way on both sub-accounts. For noninterest-bearing checking accounts, we do not pay interest on either sub-account. We may transfer funds between these sub-accounts. We record the sub-accounts and any transfers between them on our internal accounting records only. Otherwise, the sub-account is subject to the same terms as the checking and savings accounts described in this agreement.

SETOFF

You understand that the law permits the Bank under some circumstances to charge your account to reduce or satisfy certain debts you owe the Bank. In addition to this right, you also agree that the Bank may charge your account to reduce or satisfy debts owed the Bank by any party on your account even if you are not personally responsible for the debt.

LEGAL PROCESS

You understand that the Bank will be required to honor any properly served execution, attachment or other levy on your account by holding the attached amount for or paying the levied amount to the levying officer, or complying with any other properly served order issued by a court or governmental agency, such as a taxing authority. Additionally, subpoenas, search warrants and other legal processes may compel disclosure of information about your account or any other business you may have with the Bank. You agree that the Bank may honor any legal process reasonably believed by the Bank to be in proper form, even if the papers are served on the Bank's central office or on a branch other than that at which your account, loan or other business activity is maintained.

The Bank charges fees for handling legal processes. The amount of such fees is disclosed to you in the Bank's *Deposit Accounts Fee & Information Schedule*. These fees, which are charged to your account whenever allowed by law, and are otherwise payable by you on the Bank's demand, are separate and in addition to any fee or cost the Bank is entitled to recover from the party on whose behalf the legal process is served.

NON-TRANSFERABILITY AS TO CERTAIN ACCOUNTS

Certificates of Deposit are non-transferable except on the books of the Bank.

INACTIVE ACCOUNTS

When you have not conducted a transaction on your checking account for a period of 6 consecutive months the Bank will begin charging a monthly inactivity fee. After three consecutive years of inactivity on your checking or savings and no contact from you, California law requires that your account balance be turned over to the State. This three-year period starts over again (and the inactivity fee is suspended on your checking) whenever you transact on your account. This three-year period does not begin for certificates of deposit until your certificate matures; it does not begin for IRAs until the IRA laws require that you begin to take withdrawals.

DEATH OR INCAPACITY OF DEPOSITOR

You understand that the Bank may pay items or permit withdrawals on your account after your legal incapacity or death unless the Bank knows of your incapacity or death, and, to the extent permitted by law, the Bank may pay items or permit withdrawals even after the Bank learns of your death or incapacity.

OVERDRAWN ACCOUNTS

If your account is overdrawn because the Bank is unable to collect a deposit you have made to your account, the Bank intentionally or unintentionally pays an item when your account is overdrawn or has insufficient funds to cover the item or for any other reason, in addition to paying any applicable service charge for overdrafts you agree to pay the Bank the amount of the overdraft immediately upon Bank's demand. This promise to pay the Bank for the amount of the overdraft applies even if the item was not signed or otherwise authorized by you and you did not benefit from the proceeds of the item, provided that the item was signed or authorized by someone with authority to withdraw or transfer funds from your account, notwithstanding a law, such as Uniform Commercial Code §4-401, that might otherwise protect you from being responsible for such an item. You understand that the Bank has no obligation to honor items when you do not have enough money in your account. The Bank has multiple overdraft options and products that you may choose to add to your account. If the Bank returns an item for non-sufficient funds the merchant may resubmit that item, which could potentially result in you being charged multiple Returned Item or Overdraft fees for the same item.

RIGHT TO CLOSE ACCOUNT

The Bank reserves the right to close your account for any reason or without cause. It need not advise you of the reason for taking this action unless the action was taken on the basis of information received from a credit reporting agency or another outside source, in which case the law may require disclosure of certain limited information regarding the Bank's action. If your account is closed by the Bank, it may issue a single cashier's check for the account balance jointly payable to all accountholders and may mail or deliver that check to any one of the accountholders,

subject to any right the Bank may have under any security agreement covering the account or the Bank's right of setoff.

The Bank automatically closes \$0 balance accounts after 10 days. The Bank does not give advance notice of such closure.

HANDLING OF DISPUTES

DISPUTES

Sometimes the Bank is brought into the middle of a dispute among the accountholders over an account or a dispute between the accountholders and others claiming to be owners of or persons entitled to control or withdraw funds from a deposit account. When the Bank knows or suspects that this is happening, the Bank may choose any of the following courses of action:

- It may ignore any instructions that conflict with the terms of the account agreement for the account unless all accountholders sign the instructions. For example, ignoring one accountholder's request to not honor items created by another accountholder.
- It can require that all accountholders sign any item or other withdrawal order even though the account agreement for the account does not require all those signatures to authorize a withdrawal.
- It can close the account and issue a single cashier's check for the account balance jointly payable to all accountholders, and the Bank may mail or deliver that check to any one of the accountholders.
- It can deposit the account balance with the clerk of a court in the connection with an interpleader action the Bank brings or in response to a court action naming the Bank as a party. The court would then decide who is entitled to the funds. If the Bank makes an interpleader deposit with the court, the court will be asked to award the Bank its costs, including attorney's fees, for the lawsuit. The law provides that this award is payable out of the deposit.
- It can take any other action it believes to be reasonable under the circumstances even if the action is not listed here. These actions include, but are not limited to, any specific procedures that may be applicable under a law or regulation. You agree not to hold the Bank responsible for, and to indemnify and defend the Bank against, damages that may result from any decisions the Bank makes in this regard as long as the Bank's decision, action or inaction is made and taken in good faith.

ARBITRATION

The Bank and you agree to submit any dispute, claim or controversy arising out of or relating to this agreement to final and binding arbitration and shall be governed by and construed in accordance with the laws of the State of California. Both parties agree that any claims will be resolved on an individual basis and each waives the right to participate in a class, collective or other joint action with respect to any claims. Arbitration proceedings shall take place in the State of California, in the county of the branch of origination, before an arbitrator with at least five years of experience in banking and financial disputes. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures.

In any arbitration arising out of or related to this agreement, the arbitrator is not empowered to award punitive or exemplary damages, except where permitted by statute. The arbitrator may not award any incidental, indirect or consequential damages, including damages for lost profits, and the parties waive any right to recover any such damages. The arbitrator shall award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration. The arbitrator's award shall be final and judgement may be entered in any court having jurisdiction. If you are a customer and you are not the prevailing party, you are not required to pay the cost and attorney's fees of the Bank.

ELECTRONIC FUND TRANSFERS

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

ELECTRONIC FUND TRANSFERS INITIATED BY THIRD PARTIES

You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. In some cases, your authorization can occur when the merchant posts a sign informing you of their policy. In all cases, the transaction will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information, whether

over the phone, the internet, or via some other method, to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

Preauthorized Credits: You may make arrangements for certain direct deposits to be accepted into your checking or savings account.

Preauthorized Payments: You may make arrangements to pay certain bills from your checking or savings account.

Electronic Check Conversion: You may provide your check to a merchant or service provider who will scan the check for the encoded bank and account information. The merchant or service provider will then use this information to convert the transaction into an electronic funds transfer. This may occur at the point of purchase, or when you provide your check by other means such as by mail or drop box.

Electronic Returned Check Charge: Some merchants or service providers will initiate an electronic funds transfer to collect a charge in the event a check is returned.

TELEBANK TELEPHONE TRANSFERS

You may access your account by telephone 24 hours a day at (877) 226-5820 using your personal identification number, a touch tone phone, and your account number:

- to transfer funds between checking and savings (funds transferred may not be available for withdrawal until the next business day)
- to get information about the account balance of checking and savings accounts

Fees may apply; refer to our separate *Deposit Accounts Fee & Information Schedule*.

MOBILE BANKING AND ONLINE BANKING TRANSFERS

You may access your account through a BAC Community Bank Mobile Banking app or by computer through the internet by logging onto our website at www.bankbac.com and using your user identification and password:

- to transfer funds between checking and savings (funds transferred may not be available for withdrawal until the next business day).
- to make payments from checking to third parties.
- to get information about the account balance of checking and savings accounts.

For details about this service, along with terms, conditions and other limitations, refer to our separate *Electronic Banking Terms and Conditions*. Fees may apply; refer to our separate *Deposit Accounts Fee & Information Schedule*.

MOBILE DEPOSITS

Deposits to a linked account may be made through a supported mobile device when using a BAC Mobile Banking app.

For details about this service, along with terms, conditions and other limitations, refer to our separate *Electronic Banking Terms and Conditions*. Fees may apply; refer to our separate *Deposit Accounts Fee & Information Schedule*.

DEBIT CARD USE

You may access your account by Automated Teller Machine or ATM, using your debit card and personal identification number or PIN;

- to make deposits to checking or savings accounts
- to get cash withdrawals from checking or savings accounts – there are limits as to how much you can withdraw each day using your debit card
- to transfer funds between checking and savings accounts
- to get information about the account balance of your checking or savings account

Some of these services may not be available at all terminals. Fees may apply; refer to our separate *Deposit Accounts Fee & Information Schedule*.

You may access your checking account to purchase goods or pay for services either in person, online or by phone, and get cash from a participating financial institution or from a merchant, if the merchant permits. There are daily limits on debit card usage.

When you use your debit card outside the United States or online with a foreign merchant, the network or merchant will convert the transaction into the U.S. dollar amount. If the network converts the currency, it will use either a rate selected by the network from the range of rates available in wholesale currency markets for the applicable processing date, which may vary from the rate the network itself receives, or the government-mandated rate in

effect for the applicable processing date. If the merchant converts the currency, the merchant will determine the conversion rate. The Bank may also charge an international purchase transaction fee. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

You agree not to use your account or debit card for illegal gambling or other illegal purpose. Display of a payment card logo by a merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located. This includes in-person and online merchants and activities.

When you use an ATM not owned by us, you may be charged a fee by the ATM operator or network. You may be charged a fee for a balance inquiry even if you do not complete a funds transfer.

ELECTRONIC BANKING DISCLOSURES

Personal Deposit Accounts: Our *Personal Schedule of Fees* describes our personal deposit accounts. This Electronic Banking Disclosures section explains provisions that apply to electronic funds transfers to or from personal deposit accounts (sometimes referred to as “consumer deposit accounts”). These Transfers are governed by Regulation E, which implements the federal Electronic Fund Transfer Act. A personal deposit account is an account that is owned by a natural person, and this is established primarily for personal, family, or household purposes.

Business Deposit Accounts: Our *Business Schedule of Fees* describes our business deposit accounts. Business deposit accounts are accounts that are established primarily for business purposes. When you open one of our business deposit accounts, you represent and agree that you are establishing it primarily for business purposes. Provisions below that explain a consumer’s liability for unauthorized transfers do not apply to business deposit accounts.

CONSUMER LIABILITY FOR TRANSACTIONS COVERED BY REGULATION E

Tell us AT ONCE if you believe your debit card or related information has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission. Verbal notification is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your debit card or related information, you can lose no more than \$50 if someone used your debit card or related information without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your debit card or related information, and we can prove we could have stopped someone from using your debit card or related information without your permission if you had told us, you could lose as much as \$500.

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

If you believe your debit card or related information has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call or write us at the telephone number or address listed in the [*“Investigation of Claims Covered by Regulation E”*](#) section of this document.

NOTE: These liability rules are established by Regulation E, which does not apply to business or other non-personal accounts.

INVESTIGATION OF CLAIMS COVERED BY REGULATION E

In case of errors or questions about your electronic transfers, call or write us at the telephone number or address listed below, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transaction listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared. We will need the following information to begin an investigation.

- Your name and account number.
- A description of the transaction you are unsure about. Explain as clearly as you can why you believe it is an error or why you need more information.
- The dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days. We will determine whether an error occurred within 10 business days after we hear from you, or within 20 business days if the transaction involved a new account. We will correct any error promptly. However, if we need more time, we may take up to 45 days to investigate your complaint or question, or up to 90 days if the transaction involved a new account, a point-of-sale transaction, or a foreign-initiated transaction. If we need more time, we will

provisionally credit your account within 10 business days or within 20 business days if the transfer involved a new account, for the amount you think is an error, so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless all accountholders already have an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation. Claims and inquiries should be directed to:

BAC COMMUNITY BANK
ATTN: CUSTOMER SERVICE
P.O. BOX 1140
STOCKTON, CALIFORNIA 95201-1140
Business Days: Monday through Friday
Excluding Federal Holidays
(877) 226-5820
Email: customer.service@bankbac.com

DOCUMENTATION, RECEIPTS AND ACCOUNT STATEMENTS

Terminal Transfers: You can get a receipt at the time you make any transfer to or from your account using one of our automated teller machines or a point-of-sale terminal.

Preauthorized Credits: If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (877) 226-5820 to find out whether or not the deposit has been made.

Periodic Statements: You will receive a monthly account statement from us for your checking accounts. You will also receive a monthly account statement for your savings accounts, unless there were no transfers in a particular month, in which case, you will receive a quarterly statement.

PRE-AUTHORIZED PAYMENTS

Right to Stop Payment and Procedure: If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how: call or write us at the telephone number or address listed in the [*“Investigation of Claims Covered by Regulation E”*](#) section of this document in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 business days after you call. Please refer to our separate *Deposit Accounts Fee & Information Schedule* for the amount we will charge you for each stop payment order you give.

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

Liability for Failure to Stop Payment of Preauthorized Transfer: If you order us to stop one of these payments three business days or more before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

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

- If, through no fault of ours, you do not have enough money in your account to make a transfer.
- If you have an overdraft line of credit and the transfer would go over the credit limit.
- If the automated teller machine where you are making the transfer does not have enough cash.
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control, such as fire or flood, prevent the transfer, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our agreement with you.

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

- When it is necessary for completing transfers;
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- In order to comply with a government agency or court orders; or

As explained in the Privacy Disclosure.

ATM AND EXPRESS DEPOSITORY FACILITIES USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an ATM or express depository facility. For your own safety, be careful. The following suggestions may be helpful.

- Prepare your transactions at home to minimize your time at the ATM or express depository facility.
- Mark each transaction in your account record, but not while at the ATM or express depository facility. Always save your ATM receipts. Don't leave them at the ATM because they may contain important account information.
- Compare your records with the account statements you receive.
- Don't lend your debit card to anyone.
- Do not leave your debit card at the ATM. Do not leave any documents at the express depository facility.
- Protect the secrecy of your Personal Identification Number or PIN. Protect your debit card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your debit card or PIN over the telephone. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
- Prevent others from seeing you enter your PIN by using your body to shield their view.
- If you lose your debit card or if it's stolen, promptly notify us. You should consult other disclosures about electronic fund transfers for additional information about what to do if your debit card is lost or stolen.
- When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or express depository facility, particularly if it is after sunset. At night, be sure that the facility is well lit, including the parking areas and walkways. Consider having someone accompany you when you use the facility after sunset. If you observe any problem, go to another ATM or express depository facility.
- Don't accept assistance from anyone who you don't know when using an ATM or express depository facility.
- If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, secure your debit card and leave. You may consider using another ATM or coming back later.
- Don't display your cash; secure it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
- At a drive-thru facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
- We want the ATM and express depository facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if the light is not working or if there is any damage to a facility. Please report any suspicious activity or crimes to both the Bank and the local law enforcement officials immediately.
- Do not leave your car unlocked or engine running when you get out to use an ATM or express depository.
- Visually inspect the ATM for possible skimming devices. Potential indicators can include sticky residue or evidence of an adhesive used by criminals to affix the device, scratches, damaged or crooked pieces, loose or extra attachments on the card slot, or noticeable resistance when pressing the keypad.

YOUR ABILITY TO WITHDRAW FUNDS

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use them to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before cut-off hours on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after cut-off hours or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

ACCOUNT APPLICABILITY AND YOUR RESPONSIBILITIES

Our policy regarding your ability to withdraw funds applies to “transaction” accounts and savings accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Feel free to ask us whether any of your accounts might be included in this policy.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other issues involving your deposit. If a check is returned as altered, unauthorized, forged, or counterfeit, the Bank may debit those funds from your account at any time as allowed by clearing house operating rules.

LONGER DELAYS MAY APPLY

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

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

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

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

SPECIAL RULES FOR NEW ACCOUNTS

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

Funds from the electronic direct deposits to your account will be available on the day we receive the funds for your deposit. Funds from deposits of cash, wire transfer, and the first \$5,525 of a day’s total deposits of cashier’s, certified, teller’s, traveler’s, and federal, state and local government checks will be available on the first business day after the day of your deposit, if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525 will be available on the seventh business day after the day of your deposit. If your deposit of checks, other than a U.S. Treasury check, is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

UNLAWFUL INTERNET GAMBLING TRANSACTIONS PROHIBITED

If you are a commercial customer, you certify that you are not now engaged in, and during the life of this deposit contract will not engage in, any activity or business that is unlawful under the Unlawful Internet Gambling Enforcement Act of 2006, also known as “UIGEA”. You may not use your account or any other service we offer to receive any funds, transfer, credit, instrument or proceeds that arise out of a business that is unlawful under the UIGEA. You agree that if anyone asks us to process a transaction that we believe is restricted under the UIGEA, we may block the transaction and take any other action we deem to be reasonable under the UIGEA and this deposit contract.

CCPA NOTICE - CALIFORNIA CONSUMER PRIVACY ACT

California residents have certain rights under the California Consumer Privacy Act (CCPA). To learn more about the personal information we collect, how we may use such information, or to exercise your rights, please visit www.bankbac.com/ccpa.

ADDITIONAL TERMS

Any term of this agreement that is inconsistent with the laws governing your account will be considered to be modified by us and applied in a manner consistent with such laws. Any term of this agreement that a court of competent jurisdiction determines to be invalid will be modified accordingly. In either case, the modification will not affect the enforceability or validity of the remaining terms of this agreement. As part of this agreement you understand that the Bank, from time to time, will exercise prudent and appropriate discernment regarding the terms and conditions defined as discretionary within this agreement. The Bank will not be liable for variances in discretionary terms as these elements are determined on a case by case basis under the current circumstances of the subject matter. Any prior discretionary decisions will not be considered a precedent for future decisions.

NOTE: The fees, rates and benefits described in this booklet and in the accompanying Deposit Accounts Fee & Information Schedule and rate sheet were current as of the date of publication, but are subject to change. You can obtain current information by calling Customer Service or visiting our website at www.bankbac.com.

HOW TO CONTACT BAC COMMUNITY BANK

For all available contact methods and hours, including Smart ALAC, please visit:

www.bankbac.com/contact



(877) 226-5820 or (209) 473-6800

Customer Care Hours

Monday through Friday: 8:00 a.m. to 6:00 p.m. Pacific Time

Saturday: 9:00 a.m. to 2:00 p.m. Pacific Time

After Hours

The following services are also available 24/7, including after hours:

TeleBank – Telephone Banking

Lost or Stolen Debit Card Assistance

Debit Card PIN Change

Branch Locations and Hours are available on our website at:

www.bankbac.com/locations



BAC

Community Bank

banking. always connected.

www.bankbac.com

Member FDIC



BO-pb-000100 (07/01/2024)