

YOUR DEPOSIT ACCOUNT AGREEMENT & DISCLOSURE

[Effective January 23, 2019]

You Define Service, We Deliver It.



Page intentionally blank

TABLE OF CONTENTS

INTRODUCTION 1
 IMPORTANT INFORMATION ON PROCEDURES FOR OPENING A NEW ACCOUNT1
 USING CREDIT AND OTHER REPORTS TO EVALUATE ACCOUNT APPLICATIONS AND ELIGIBILITY FOR SERVICES1

OWNERSHIP OF PERSONAL ACCOUNTS 1

BUSINESS ACCOUNTS..... 2
 FICTITIOUS BUSINESS NAME ACCOUNTS2

ACCOUNT CONSIDERATIONS 2
 AUTHORIZED SIGNER2
 SIGNATURE REQUIREMENTS2
 FACSIMILE SIGNATURES2
 POWER OF ATTORNEY2
 YOUR ADDRESS.....3

PAPERLESS STATEMENTS 3
 PAPERLESS STATEMENT ENROLLMENT3
 ACCESSING PAPERLESS STATEMENTS4
 EMAIL ADDRESS MAINTENANCE3
 TERMINATION OF PAPERLESS STATEMENTS.....4

TRANSACTIONS..... 3
 CUTOFF HOURS3
 DEPOSITS.....4
 ADJUSTMENTS AND CORRECTIONS.....4
 DIRECT DEPOSITS.....4
 DEPOSITED ITEMS RETURNED4
 LOST OR DESTROYED DEPOSITED ITEMS.....5
 DEPOSIT OF REMOTELY CREATED CHECKS5
 WITHDRAWALS.....5
 EXAMINING NEW CHECKS AND DEPOSIT SLIPS6
 POST-DATED ITEMS.....6
 ADVANCED NOTICE FOR WITHDRAWALS FROM SAVINGS OR MONEY MARKET ACCOUNTS6
 LIMITATIONS ON THE NUMBER OF CERTAIN WITHDRAWALS6
 AUTOMATED TELLER MACHINE AND OTHER ELECTRONIC WITHDRAWALS6
 DEBITING YOUR ACCOUNT; ORDER OF POSTING.....6
 MATERIAL APPEARING ON THE BACK OF ITEMS; CHECK LEGENDS6

STOP PAYMENT ORDERS..... 7

CASHIER’S CHECK CANCELLATION 7

SUBSTITUTE CHECKS AND YOUR RIGHTS..... 8

USE OF NIGHT DEPOSITORY 9

ACH ITEMS AND WIRE TRANSFERS..... 9

INTEREST 10
 EARLY WITHDRAWAL PENALTY FOR TIME DEPOSITS10

SERVICE AND OTHER CHARGES 10

TABLE OF CONTENTS

PREVENTING FRAUD	10
STATEMENTS AND RESPONSIBILITY TO REVIEW	11
CLAIM OF LOSS	11
HANDLING OF ACCOUNTS	11
SUB-ACCOUNTS	11
SETOFF	11
HANDLING OF ACCOUNTS (CONTINUED)	
LEGAL PROCESS	11
NONTRANSFERABILITY AS TO CERTAIN ACCOUNTS	12
INACTIVE ACCOUNTS	12
DEATH OR INCAPACITY OF DEPOSITOR	12
OVERDRAWN ACCOUNTS	12
RIGHT TO CLOSE ACCOUNT	12
HANDLING OF DISPUTES	13
DISPUTES	13
ARBITRATION	13
ATTORNEYS' FEES AND EXPENSES	13
ELECTRONIC FUNDS TRANSFERS	13
ELECTRONIC FUNDS TRANSFERS INITIATED BY THIRD PARTIES	13
TELEBANK TELEPHONE TRANSFERS	14
ONLINE BANKING / MOBILE BANKING TRANSFERS	14
MOBILE DEPOSITS	14
<i>DEPOSIT DOLLAR LIMITATIONS</i>	15
DEBIT CARD USE	14
<i>TYPES OF DEBIT CARD POINT-OF-SALES TRANSACTIONS</i>	15
<i>POINT-OF-SALE TRANSACTIONS (DOLLAR LIMITATIONS; USING YOUR CARD)</i>	15
<i>CURRENCY CONVERSION</i>	15
<i>ADVISORY AGENT ILLEGAL USE</i>	15
<i>ATM OPERATOR/NETWORK FEES</i>	15
DOCUMENTATION (RECEIPTS AND ACCOUNT STATEMENTS)	15
PREAUTHORIZED PAYMENTS	15
LIABILITY FOR TRANSACTIONS COVERED BY REGULATION E	16
INVESTIGATION OF CLAIMS COVERED BY REGULATION E	16
NOTICE OF ATM/NIGHT DEPOSITORY FACILITY USER PRECAUTIONS	18
YOUR ABILITY TO WITHDRAW FUNDS	18
LONGER DELAYS MAY APPLY	19
SPECIAL RULES FOR NEW ACCOUNTS	19
UNLAWFUL INTERNET GAMBLING TRANSACTIONS PROHIBITED	19

INTRODUCTION

Welcome to BAC Community Bank (“Bank”). We appreciate your interest in our products and services.

This Deposit Agreement and Disclosure (“Deposit Contract”) describes the terms of your deposit accounts with the Bank. If there is more than one owner (“acountholder”) of your account, the word “you” in this Deposit Contract will refer to each acountholder. **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 any of 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(s) 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 of the Deposit Contract. Such changes will become effective on the date(s) specified in the Bank’s notice regarding the changes, except that no change will affect a time deposit 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(s) before the date the change is scheduled to become effective. Otherwise, your continued maintenance of your account(s) will be deemed to constitute your acceptance of all change(s) to this Deposit Contract announced by the Bank. The Bank will notify you of any changes by posting notice of change on the homepage of the Bank’s web site (www.bankbac.com), by including a message on or with the statement for your account, or by any other means that the Bank considers appropriate, unless the laws governing your account require 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 for you: when you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver’s license and/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 include information from the motor vehicles department or other agency for the state in which you or any authorized signer are (or were) a resident.

OWNERSHIP OF PERSONAL ACCOUNTS

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, 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 agreement “party” means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account other than as an agent.

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

Joint Account. This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s).

Joint Account of Husband and Wife with Right of Survivorship. This account or certificate 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 or certificate is community property of the named parties who are husband and wife. The ownership during lifetime and after the death of a spouse is determined by the law applicable to community property generally and may be affected by a will.

Tenancy in Common Account. This account or certificate 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 payee(s) of that party or, if none, to the estate of that party.

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

P.O.D. Account with Multiple Parties. This account or certificate is owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). Upon death of all of them ownership passes to the named pay-on-death payee(s).

Uniform Transfer to Minors Act Account. This account is established under the state's Uniform Transfer to Minors Act and is controlled by the custodian (or a successor custodian). 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 the minor's representative.

BUSINESS ACCOUNTS

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

The 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 signature card or other account opening documents that more than one signature is required for withdrawal, this indication is for your own internal procedures. It is not binding on us. We may pay out funds from your account if the check, item or other withdrawal instruction is signed by any one of the persons authorized to sign on the account. We have no liability if we do this.

FACSIMILE SIGNATURES

If your items are signed using any facsimile signature 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 device affixing the signature. Such signature will be effective as your signature regardless of whether the person affixing it was authorized to do so. 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 a facsimile signature resembling a facsimile signature on file with us, regardless by whom or by what means the actual or purposed signature was affixed to the item. We require a properly executed agreement authorizing the use of facsimile signatures.

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(s) 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 frequently.

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. 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 prepare) 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 the instructions given by the agent as long as the Bank's decision is made in good faith.

YOUR ADDRESS

It is important that the Bank's record of your mailing address 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 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 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 according to the Bank's records is returned by the postal service 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 a new address. You agree to be bound by any notice not sent to you because previous mailings were undeliverable.

PAPERLESS STATEMENTS

Paperless statements refers to you authorizing delivery of bank account statements electronically instead of receiving paper statements by postal mail by consenting to our Electronic Disclosure and Consent. You are provided an electronic version (PDF) 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 Internet 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 Electronic Disclosure and Consent.

ACCESSING PAPERLESS STATEMENTS

You must be enrolled in Internet Banking to view paperless statements.

If you do not access your accounts through Internet Banking for any six (6) month period, we will temporarily disable your access to your Internet Banking until you re-enroll. Upon re-enrollment, your paperless statements are available.

EMAIL ADDRESS MAINTENANCE

It is your responsibility to promptly notify us if you change your email address by updating your Internet 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 Internet Banking user.

TERMINATION OF PAPERLESS STATEMENTS

Either you or we may terminate delivery of paperless statements on your accounts without notice. You may terminate your paperless statements without charge, however, such a change may impact other fee 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

CUTOFF HOURS

Even though the Bank may be open for longer hours or on other days, such as weekends, and in a limited fashion through its ATMs and mobile banking apps on Bank holidays, certain transactions must be initiated before certain times on a business day (that is Monday through Friday, provided that the weekday is not on a Bank holiday) or the transaction will be processed as of the following business day.

- The cutoff hour for ATM deposits is 3:00 p.m. (Pacific) Monday through Friday.
- The cutoff hour for Mobile deposits is 4:00 p.m. (Pacific) Monday through Friday.

- The cutoff hour for in-branch deposits is the close of the business day.
- The cutoff hour with respect to any knowledge, notice, stop payment order or legal process with respect to a check is one hour after the opening of the banking day following the banking day on which the check was received by the Bank, and the cutoff hour with respect to setoffs exercised by the Bank is the close of the banking day following the Bank's receipt of a check, in accordance with Commercial Code § 4303.

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 by the Bank. 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 a deposit being held 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 jointly and severally responsible for paying any overdrafts created by an authorized signer(s) or party to 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 and/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, in 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 accept for deposit into your account an item which should have been or must be returned or refunded to the State or Federal Government for any reason, you authorize us to deduct the amount of your liability to the State or Federal Government from your account or from any other account you have with us without prior notice at any time, except as prohibited by law. 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 and to charge your account in connection with an item the Bank has cashed for you if the item is not paid by the institution upon which it is drawn (whether or not you have been allowed to withdraw the funds). You also authorize the Bank to reverse any deposit or credit or to 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.

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.

LOST OR DESTROYED DEPOSITED ITEMS

You understand that while the banking system is quite efficient, items are sometimes lost or delayed 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 or lost in transit after it leaves the Bank, if the 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;
- Asking the issuer to place a stop payment on it (at the Bank's expense) and issue a replacement item to you (if the deposited item has not been paid); or
- Reviewing your records and other information 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, at any time without advance notice to you, the Bank may reverse or otherwise adjust any credit made to your account for a lost or destroyed deposited item.

DEPOSIT OF REMOTELY CREATED CHECKS

You agree not to deposit a remotely created check (as defined in federal Regulation CC, 12 CFR part 229 as a check that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn) 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 as authorized on the signature card for your account. This means that the Bank may allow anyone with signing authority over your account, as shown on the signature card, 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 pay bills for you or to draw items against your account (for example, through a money management or similar software program or an automatic payment plan offered by someone from whom you have purchased goods or services or borrowed money), 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" "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 record 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 option. Please note, however, that the Bank reserves the right to require presentation of any check before allowing withdrawals.

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 charge 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

You agree to use only check and deposit slips obtained through us. We will not be responsible for any costs or losses that may result if our equipment is not able to read and process checks or deposit slips you provide or obtain elsewhere. 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 liability we 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 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 (7) days advance notice before you may withdraw funds from any savings or money market account, in accordance with Federal Law.

LIMITATIONS ON THE NUMBER OF CERTAIN WITHDRAWALS

If your account is a Money Market account or Savings account, no more than six (6) transfers or withdrawals are permitted during your monthly statement cycle to another account or to a third party by means of preauthorized or automatic transfer, or telephone instruction or by check, draft, debit card or similar order and payable to third parties.

For these accounts, a “transfer” includes any transfer to a third party including an order received through an automated clearinghouse (ACH) and any transfer to another of your own accounts at the Bank (including transfers initiated via modem, fax and personal device) unless the transfer is initiated at an automated teller machine, by mail, your messenger or in person at the Bank.

AUTOMATED TELLER MACHINE AND OTHER ELECTRONIC WITHDRAWALS

Regardless of what your signature card 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 Funds Transfer](#)” 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: 1) Check Card (*smallest amount to largest amount*), 2) Electronic Funds Transfer (*smallest amount to largest amount*), and 3) Checks (*in check number order*). 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 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 check. Each stop payment order is subject to the Bank's verification that the check 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 one 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:

- Checking account number
- Amount
- Check number or range of numbers

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

If you give us information that is incorrect, we may pay the check or not pay a valid check. 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 a check if any of the information relied upon in the stop payment order is incorrect or incomplete
- the Bank not paying a check 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 postdated check and charge it to your account even if it is presented for payment before its date. You may stop a postdated check by giving us a stop payment order.

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

DURATION

A stop payment order is valid for eighteen (18) 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 which will be effective for eighteen (18) months. An additional stop payment fee will be charged. If the check is presented to us for payment after the stop payment order expires, we may pay the check even though the check is more than eighteen (18) months old.

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 a check 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 check, 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 Funds Transfer](#)" section of this document for stopping a preauthorized 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. If, in our discretion, we agree to refund or replace the check, we will require you to purchase a surety bond for the amount of the 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 similar in size to original checks with 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). Those 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 received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

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

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

BAC COMMUNITY BANK
CUSTOMER SERVICE DEPARTMENT
P.O. BOX 1140
STOCKTON, CALIFORNIA 95201-1140

Business Days: Monday through Friday
Excluding Federal Holidays

(877) 226-5820

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/or) the following information to help us identify the substitute checks:
 - 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 reconvert bank, unless we specifically agree to be a reconvert 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 and/or causes a breach of a substitute check warranty (including that the substitute check meet 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 reconvert bank for you, and we can refuse any item that would cause us to be a reconvert bank, unless we have a separate agreement with you that provides otherwise.

USE OF NIGHT DEPOSITORY

The Bank maintains a Night Depository for the convenience of its customers. While the Bank undertakes to maintain the Night Depository with reasonable care intended to secure the property placed therein, the Bank cannot and will not become a bailee or nor will it take any responsibility for the safety and security of money or negotiable items placed in the Night Depository until a Bank employee opens the Night Depository and takes actual possession of the property contained therein during normal banking hours. Customer agrees that bags/envelopes placed into the Night 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 slips(s), 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 Night 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 Night 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 Night Depository and must promptly report to the Bank any problems or unsafe or insecure conditions that they observe regarding the Night Depository.

ACH ITEMS AND WIRE TRANSFERS

The Bank may send or receive debit or credit items affecting your account which are subject to ACH rules or to Division 11 of the California Uniform Commercial Code as set forth in Appendix B of Regulation J, 12 CFR part 210, subpart B and the California Uniform Commercial Code. You understand that such items will be processed in accordance with the laws, regulations, rules, guidelines and operating circulars 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.

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 Agreement, 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.

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(s) 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 then 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 a maturity/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 upon request and furnished to you when you opened your time deposit account.

SERVICE 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 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 PIN with or written on your debit card.
- Do a thorough background check on bookkeepers, accountants, or other employees/persons who may be handling any part of your banking and /or who have access to your confidential records.

We reserve the right to monitor debit card transaction activity as a means to deter fraudulent transactions. If unusual transaction activity is detected, we will make every effort to contact you to confirm the authenticity of the activity. However, if we are unable to contact you, we may, at our discretion, block your card in an effort to prevent additional fraudulent transactions. In the event that you confirm the transaction activity as legitimate, we may, at our discretion, unblock your card.

Our right to monitor does not replace your responsibility to review your activity or change your liability regarding reporting unauthorized activity to be 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 or unauthorized items shown on this statement.

If you fail to properly monitor your account we may deny any claim you make for a loss due to forgery, alteration, or unauthorized checks.

For unauthorized electronic funds transfers, you must notify the Bank within 60 days of the statement date to limit your liability for the amount of such unauthorized transactions. (See the “[Electronic Funds Transfer](#)” section of this document.)

CLAIM OF LOSS

If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction(s), and the circumstance surrounding the loss. You also agree to file a crime report if we request. You also agree to pursue all rights you may have under any insurance coverage you maintain before making a claim against us and to provide us with all reasonable information about your coverage, including 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.

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 not have been realized by the use of ordinary care. In no event will we be liable for special or consequential damages, including loss of profits and/or opportunity or for attorneys’ fees incurred by you.

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 other 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 by 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.

NONTRANSFERABILITY AS TO CERTAIN ACCOUNTS

Certificates of Deposit are nontransferable except on the books of the Bank.

INACTIVE ACCOUNTS

California law requires that your account balance be turned over to the State if, for three consecutive years, you have not made a deposit or withdrawal, written to the Bank concerning your account or otherwise indicated an interest in the account. This three year period starts over again whenever you do any of the above activities. 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, because 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 the Bank's 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 (Commercial Code §4401) 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 to cover them unless you have a separate overdraft agreement with the Bank and the available credit under that agreement will cover the amount of the overdraft.

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 (such as an instruction by one accountholder not to honor items or other withdrawal orders by another accountholder) that conflict with the terms of the signature card for the account unless all accountholders sign the instructions.
- It can require that all accountholders sign any item or other withdrawal order even though the signature card 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 and action (or inaction) is made and taken in good faith.

ARBITRATION

At your request or at the request of the Bank, any controversy between you and the Bank arising out of or relating to this Deposit Contract or your deposit account(s) shall be resolved either by arbitration or by reference, which will take the place of a trial before a judge and jury.

- Controversies involving one account, or two or more accounts with at least one common owner, will be decided by arbitration conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association.
- All other controversies will be decided by a reference under California Code of Civil Procedure § 638 and its related subsequent sections.
- This arbitration agreement shall survive any termination of your account(s).
- YOU AGREE THAT YOU AND THE BANK ARE WAIVING THE RIGHT TO A JURY TRIAL OR TRIAL BEFORE A JUDGE IN A PUBLIC COURT.

ATTORNEYS' FEES AND EXPENSES

In the event of a lawsuit or an arbitration or reference proceeding, the prevailing party is entitled to recover costs and reasonable attorneys' fees (which will include the allocated costs of the Bank's or your in-house counsel) incurred in connection with the lawsuit or proceeding, as determined by the court, arbitrator or referee.

ELECTRONIC FUNDS 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 funds 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 funds 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 accounts(s).

Preauthorized Payments. You may make arrangements to pay certain bills from your checking or savings accounts(s).

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 for insufficient funds.

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 numbers, to:

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

Fees may apply; see separate *Deposit Accounts Fee & Information Schedule*.

ONLINE BANKING / MOBILE BANKING TRANSFERS

You may access your account(s) by computer through the internet by logging onto our web site at www.bankbac.com or through a BAC Community Bank Mobile Banking app 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).
- Make payments from checking to third parties.
- Get information about the account balance of checking and savings account(s).

Fees may apply; see 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.

DEPOSIT DOLLAR LIMITATIONS

- **BAC Personal Mobile Banking**
You may not exceed \$1,500.00 in Mobile Deposit transactions per day.
- **BAC Business Mobile Banking**
You may not exceed \$10,000.00 in Mobile Deposit transactions per day.

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

DEBIT CARD USE

You may access your account(s) by Automated Teller Machine (ATM) using your debit card and personal identification number (PIN) to:

- make deposits to checking or savings account(s)

- get cash withdrawals from checking or savings accounts(s)
You may withdraw no more than \$500.00 per day
- transfer funds between checking and savings accounts(s)
- get information about the account balance of your checking or savings account(s)

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

TYPES OF DEBIT CARD POINT-OF-SALES TRANSACTIONS

You may access your checking account(s) to purchase goods (in person or by phone), pay for services (in person or by phone), and get cash from a merchant, if the merchant permits, or from a participating financial institution.

POINT-OF-SALE TRANSACTIONS (DOLLAR LIMITATIONS; USING YOUR CARD)

You may not exceed \$1,500.00 in transactions per day.

CURRENCY CONVERSION

When you use your debit card outside the United States, 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.

ADVISORY AGENT ILLEGAL USE

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

ATM OPERATOR/NETWORK FEES

When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

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 get a monthly account statement from us for your checking accounts. You will get a monthly account statement from us for your savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

PREAUTHORIZED PAYMENTS

Right to Stop Payment and Procedure for Doing So. 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 3 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 and damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make a transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
6. 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:

1. Where it is necessary for completing transfers; or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. In order to comply with a government agency or court orders; or
4. As explained in the Privacy Disclosure.

LIABILITY FOR TRANSACTIONS COVERED BY REGULATION E

Tell us at once if you believe your debit card and/or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you believe your debit card and/or PIN has been lost or stolen, and you tell us within two business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your debit card and/or PIN without your permission. Also, if you do NOT tell us within two business days after you learn of the loss or theft of your debit card and/or PIN, and we can prove we could have stopped someone from using your debit card and/or PIN without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers made with your debit card and/or PIN that you did not make, 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 that money if you had told us in time.

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

If you believe your debit card and/or PIN 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.

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 in this disclosure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer 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.

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

If you 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 (20 business days if the transfer involved a

new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within 10 business days (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 each of you already has 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.

BAC COMMUNITY BANK
CUSTOMER SERVICE DEPARTMENT
P.O. BOX 1140
STOCKTON, CALIFORNIA 95201-1140

Business Days: Monday through Friday
Excluding Federal Holidays

(877) 226-5820

customer.service@bankbac.com

More Detailed Information is Available Upon Request

NOTICE OF ATM/NIGHT DEPOSITORY FACILITY USER PRECAUTIONS

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

1. Prepare your transactions at home to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your debit card to anyone.
5. Do not leave your debit card at the ATM. Do not leave any documents at the night deposit facility.
6. Protect the secrecy of your Personal Identification Number (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.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your debit card or if it's stolen, promptly notify us. You should consult other disclosures about electronic funds transfers for additional information about what to do if your debit card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking areas and walkways) is well lighted. Consider having someone accompany you when you use the facility after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone who you don't know when using an ATM or night deposit facility.
11. 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, pocket your debit card and leave. You may consider using another ATM or coming back later.
12. Don't display your cash; pocket 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.
13. At a drive-up 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.
14. We want the ATM and night deposit 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 there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement 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 other accounts might also be under this policy.

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 your deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

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 problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Sundays, Saturdays and federal holidays. If you make a deposit on a day that we are not open, we will consider that the deposit was made the next business day we are open.

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 \$5,000 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. They will generally be available no later than the seventh business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new 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 deposit. Funds from deposits of cash, wire transfer, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit, if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the 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 agreement will not engage in, any activity or business that is unlawful under the Unlawful Internet Gambling Enforcement Act of 2006 (the "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 UIGEA and this agreement.

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

Lodi
1610 W. Kettleman Ln.
Lodi, CA 95242
(209) 367-9400
ATM
Branch
Open Saturdays

Stockton – Cal-Weber
517 E. Weber Ave.
Stockton, CA 95202
(209) 944-1807
Executive Offices
Loan Operations
Branch

Antioch
1411 A St.
Antioch, CA 94509
(925) 776-2200
Branch
Open Saturdays

Concord
2090 Diamond Blvd.
Concord, CA 94520
(925) 609-1970
Branch
Open Saturdays

Modesto
1625 J St.
Modesto, CA 95354
(209) 544-2227
ATM
Branch

Tracy
951 N. Central Ave.
Tracy, CA 95376
(209) 855-8150
Branch

Brentwood
740 First St.
Brentwood, CA 94513
(925) 634-2111
ATM
Branch
Drive-Up
Open Saturdays

Discovery Bay
14804-A Highway 4
Discovery Bay, CA 94505
(925) 634-0112
ATM
Branch
Open Saturdays

Stockton
2001 W. March Ln.
Stockton, CA 95207
(209) 473-6859
ATM
Branch
Drive Up
Open Saturdays

Brentwood – Country Club
2251 Balfour Rd.
Brentwood, CA 94513
(925) 308-7011
ATM
Branch
Drive-Up
Open Saturdays

Oakley
1070 Laurel Rd.
Oakley, CA 94561
(925) 625-4990
ATM
Branch
Open Saturdays

HOW TO CONTACT BAC COMMUNITY BANK

Monday through Friday 8:00 a.m. to 6:00 p.m. Pacific
Saturday 9:00 a.m. to 2:00 p.m. Pacific

Customer Service.....1-877-226-5820
(for assistance with Business and Personal bank accounts, internet banking,
online bill payment, mobile banking, debit card, merchant remote deposit,
positive pay, cash management, wire, ACH, and all other services.)

After Hours

Lost or Stolen Debit Card.....1-800-528-2273
Debit Card PIN Change.....1-877-267-6914

You Define Service, We Deliver It.



BAC Community Bank

www.bankbac.com

Member FDIC



BO-pb-000100 (01/17/2019)