

**TRUTH-IN-SAVINGS
DISCLOSURE OF
MEMBERSHIP
AGREEMENT &
ACCOUNT TERMS**

EFFECTIVE DATE

November 1, 2008

This Disclosure Supersedes All
Disclosures Prior to the Effective
Date Shown Here

Important Document

Please Read and Retain For Your Records



Adding Value to the Neighborhood

In the following agreement(s), the words "You," "Your," and "Yours" mean each and all of those (whether one or more persons) who are subject to the agreement(s) as a result of signing a Membership Signature Card & Account Agreement, a Trustee Signature Card & Account Agreement (both referred to as Signature Card herein) or Share Certificate for each respective account. The words "We," "Us," "Our," "LBS Financial," and "CREDIT UNION" mean LBS FINANCIAL CREDIT UNION.

This disclosure is presented for your information and is accurate as of the date shown on the cover. Furthermore, the CREDIT UNION's Fee Schedule is incorporated herein by reference. We have the right to change its terms and conditions or amend this disclosure from time to time. You will receive 30 days' advance notice of changes where required by law. You may always obtain more information by calling the Credit Union at 800.527.3328, 562.598.9007 or 714.893.5111.

PRIVACY POLICY

We collect and may disclose nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from a consumer reporting agency.

We may disclose all of the collected non-public personal information about you to non-affiliated third parties as permitted by law.

We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

We restrict access to nonpublic personal information about you to employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

We do not disclose nonpublic personal information about former members to non-affiliated third parties, except as permitted by law.

TRUTH IN SAVINGS DISCLOSURE GENERAL INFORMATION

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

ACCRUAL OF DIVIDENDS FOR NON-CASH ITEMS: Dividends will begin to accrue no later than the business day we receive provisional credit for the deposit of non-cash items (e.g., checks) to your account.

DIVIDEND COMPOUNDING AND CREDITING: Dividends are compounded monthly on the full amount of principal in the account for each day. Dividends are calculated using a 365-day year (366-day year during leap years). Dividends are credited to the account on the last day of each calendar month. The dividend period for all accounts is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1st and the ending date is January 31st. All other dividend periods follow the same pattern of dates. The dividend declaration date follows the ending date of the dividend period and, for this example, is January 31st. No dividends will be paid unless account remains open on the last day of the month in order to receive dividends.

BYLAW REQUIREMENTS: A member who fails to complete payment of one share within 3 months of admission to membership, or within 3 months from increase in the par value of shares, or a member who reduces the share balance below the par value of shares and does not increase the balance to at least the par value of one share within 3 months of the reduction may be terminated from membership. Share/Savings may be transferred only from one member to another, by written instrument in such form as the board may prescribe. We reserve the right, at any time, to require members to give, in writing, not more than 60 days notice of intention to withdraw the whole part of the amounts so paid in by them except for those amounts paid in to check-

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

PAR VALUE: The par value of one share in the Credit Union is \$5.00. For all accounts, you must maintain one \$5.00 share in your Regular Savings Account.

BALANCE INFORMATION: Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

RATE INFORMATION: The dividend rate and annual percentage yield (APY) on all Accounts are posted in each branch, available by telephone on RateLine and online on our web site (www.lbsfcu.org) and were effective as of the last dividend declaration date. The Dividend Rate and Annual Percentage Yield (APY) on Regular Savings, Checking, Share Certificates and Money Market Accounts are tiered. A tier is a range of account balances: different rates and APYs may apply to different tiers. When the balance increases or decreases to a different tier, the account balance will be subject to the rate applicable to that tier for the time the balance is at the higher or lower level. This means if an account balance goes below or above a certain tier level even for one day, the account will be subject to that tier for one day. These rates are subject to change without notice. Dividend rate and corresponding APY are made solely at the Credit Union's discretion. Dividend rate and APY are subject to change at any time without notice for all accounts except the Share Certificate and IRA Certificate. The Share Certificate and IRA Certificate are fixed rate accounts and you will be paid the dividend rate and APY as stated on the certificate until the maturity date based on tier.

MINIMUM BALANCE: There are no minimum balance requirements associated with the Credit Union's accounts other than as stated on the separate disclosure for Share Savings accounts, Share Certificate accounts and IRA Certificate accounts, and as stated in our dividend rate postings for Checking accounts and Money Market accounts, and under the Checking and Money Market section of this disclosure. Fees or other conditions may reduce the earnings in the account.

SCHEDULE OF DIVIDEND RATES AND SCHEDULE OF FEES AND SERVICES: The accompanying Schedule of Fees and Services is incorporated by reference into this disclosure. In addition to the Credit Union fees, transactions at certain ATMs on the systems which are not owned by the Credit Union may be subject to a service fee charged by the owner of the terminal.

DEPOSIT INFORMATION: You may not deposit checks made payable to any party not subscribed on the Signature Card

TERMS AND CONDITIONS APPLICABLE TO ALL ACCOUNTS

1. You must be a member in good standing to maintain any account.
2. All accounts (except Checking Accounts) are not transferable except on the records of LBS Financial Credit Union.
3. We may endorse checks for you which we receive for deposit.
4. All non-cash payments received for credit to any account are credited subject to final payment. Your right to withdraw funds represented by certain checks or other items you deposit may be delayed for several days. You will be notified if your right to withdraw will be delayed. Please refer to the Disclosure of Delayed Availability of Deposited Funds (below) for further details.
5. All account statements will be mailed only to your address of record. You shall exercise reasonable care and promptness in

reconciling your statement, but in all cases within the applicable time limits set forth in the Uniform Commercial Code or you are precluded from any objection against us.

6. We may pay out funds or transact business pertaining to any account with the signature of any one (1) of the account owners or the signature of any designated agent. If we receive written notice from an owner that withdrawals in accordance with the terms of the account should not be permitted, we may refuse, without liability, to pay any sums on deposit pending a determination of the rights of the owners. Further, if there is more than one owner, we may require the signature of all owners.
7. You or we may terminate your account at any time. You understand, however, that your authority to us may not be changed or terminated except by written notice to us, in such form as the Credit Union may prescribe, which will not affect prior transactions. You understand that it is our policy that so long as you have an outstanding loan balance, you may not close out your share account with us.
8. You understand that Individual, Joint, Trust, and Pay-on-Death accounts are subject to the Multiple Party Accounts Law, Division 5 of the California Probate Code, as now in effect or hereafter amended.
9. We are not responsible for items lost while not in our possession.
10. California law states that inactive account balances must be turned over to the State (escheated) after a period of 3 years if you have not:
 - A. Increased or decreased the amount of any of your account(s) with us or presented an appropriate record for crediting of dividends or cashed a dividend check from any of your accounts with us; or
 - B. Corresponded in writing or electronically with us concerning any of your accounts with us: or
 - C. Otherwise indicated an interest in any of your accounts with us as evidenced by a memorandum on file with us.

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

11. You agree that by signing any Signature Card, IRA Agreement or Share Certificate, you are also subject to the terms and conditions of the form of account (as described below and as stated on the Signature Card) which you have selected. The terms and conditions stated on the Signature Card, Share Certificate, or any IRA Agreement you sign are fully incorporated by reference herein.
12. Please refer to our Schedule of Fees and Services as they apply to all accounts. We shall debit such charges from any account you own (except an IRA account). If there are insufficient funds available, the charges are payable on demand, and for Checking accounts, will be treated as an overdraft.
13. By requesting overdraft protection through funds transfers from a different Credit Union account, a cross-account relationship must be set up. You understand and agree that this cross-account relationship will automatically be activated for CU OnLine and HomeTeller, enabling cross-account transfers via any of the Credit Union's electronic services.
14. Any payment made by us on your account in good faith and reliance on the terms and conditions of this Truth-in-Savings Disclosure of Membership Agreement & Account Terms and Signature Card shall be valid and discharge us from liability.
15. Ownership of the account will be established by the most recent Signature Card. A different form of ownership may be established by executing a new Signature Card.
16. We reserve the right to close any account(s) for abuse or which is discovered to be deliberately manipulated to the detriment of LBS Financial Credit Union and its membership. "Manipulation" includes, but is not limited to: kiting and repeated patterns of transactions which have no apparent business reason other than to take advantage of "float" to

our detriment. "Abuse" includes, but is not limited to: writing excessive checks which cannot be paid due to Non-Sufficient Funds (NSF), returned deposits, or repeated overdrafts.

17. You agree that we will not be responsible to you for any damages you may incur in the event you deposit an item with us which is later returned unpaid by the paying bank and that return is "late" due to markings on the back of the check caused by a prior endorser.
18. If we are served with a restraining order, garnishment, writ of execution or attachment, tax levy or other legal process with which we must by law comply, we will, to the extent permitted by law, notify you accordingly.
19. All owners of the account will be jointly and severally responsible for any and all costs, liabilities and damages suffered by us due to your use of these accounts.
20. Statutory Lien: If you are in default on a financial obligation to us, federal law gives us the right to apply the balance of shares and dividends in your account(s) (except IRA and exempt funds) at the time of default to satisfy or reduce that obligation. Once you are in default, we may exercise this right without further notice to you.
21. Federal law requires that we obtain and have certified by you a Taxpayer Identification Number (TIN) on all accounts. We will not open an account without this identification number. For additional information on this requirement, you will read **INSTRUCTIONS FOR REPORTING TAXPAYER IDENTIFICATION NUMBER (IRS FORM W-9)**. These instructions are found in a separate brochure which will be furnished upon request.
22. If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this agreement, the prevailing party will be entitled to reasonable attorneys' fees, costs and expenses, in addition to any other relief to which the party may be entitled.

TERMS AND CONDITIONS APPLICABLE TO INDIVIDUAL AND JOINT ACCOUNTS

1. If there is more than one owner, all agree with each other and with us that all deposits now paid in on accounts or hereafter deposited in on accounts by any one or all account owner(s) including all dividends thereon, if any, are and shall be owned by all account owner(s) jointly and equally regardless of their net contributions with right of survivorship and regardless of their net contributions shall be subject to withdrawal or receipt by any of the account owner(s) or the survivor(s) of any of the account owner(s). Any such payment shall be valid and shall discharge the Credit Union from any liability.
2. We are not obligated to inquire as to the source of funds received for deposit to a joint account or to inquire as to the proposed use of any sums withdrawn from the account for the purpose of establishing net contributions.
3. No transfer of voting rights or other membership privileges is permitted by virtue of a transfer of shares.
4. Each owner of the account is jointly and severally liable for any overdrafts or returned items on the account, regardless of which owner actually signed or deposited the instrument that caused the overdraft or return. Overdrafts and fees may be covered by transferring funds from any and all accounts. Money owed for returned items or other debts may be covered by transferring non-exempt funds from any and all accounts held at LBS Financial by any and all owners on the account.

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

If you have made a pay-on-death (P.O.D) designation, all sums are payable on request to you during your lifetime and upon your death to your designated P.O.D payee(s) or if the account is jointly owned, to one or more account owner(s), during their lives and on the death

of all of them to one or more payees then surviving in equal and individual shares. As between P.O.D payees, there is no right of survivorship.

TERMS AND CONDITIONS APPLICABLE TO TOTTEN TRUST ACCOUNTS

1. The trustee(s) declare that the account is, and any and all sums credited to such account are and shall be, held by you, (if there is more than one trustee as joint tenants and equally regardless of your net contributions with right of survivorship) in trust for the Beneficiary(ies) named on the Signature Card or Share Certificate, reserving to you the right (1) to have dividends declared on the account paid to you; and (2) to revoke such trust in whole or in part, at any time or times by executing and delivering to us a request for withdrawal or Pledge of Shares of the whole or part of such account, and such trust shall be revoked as to the whole or part to which such request relates.
2. In the event of your death or, if the account is held by more than one person, the death of your survivor, then and only then, shall we pay such account funds to the beneficiary if then living (if more than one beneficiary is designated then equally to those beneficiaries living at the date of your death or the death of your survivor), but if there is no surviving beneficiary, we shall pay such account funds to your estate or the estate of your survivor. There is no right of survivorship between beneficiaries.
3. A right of survivorship or a beneficiary designation in a Trust Account cannot be changed by will.

TERMS AND CONDITIONS APPLICABLE TO LIVING TRUST ACCOUNTS

TRUSTEE'S ACCOUNT AGREEMENT: The account agreement under which a trust relationship account is maintained with the Credit Union contains terms which provide as follows:

The Trustee(s) agree(s) with LBS Financial Credit Union that this account shall be governed by the Bylaws, rules, regulations and practices of the Credit Union and shall be subject to any and all changes or dividend rates now or hereafter established.

LBS Financial Credit Union, its officers and employees are hereby authorized to honor any and all transactions including but not limited to opening and closing accounts, withdrawing and depositing funds, borrowing and pledging of savings account funds by any named trustee or successor trustee.

LBS Financial Credit Union, its officers and employees are fully released from any and all liability or claim for loss of funds resulting from any transaction by or through any named trustee or any successor trustee. The Credit Union shall not be responsible for verifying the validity, existence or legality of any such trust nor shall it be required to validate the authority of any named trustee to transact any Credit Union business.

Trustee(s) agree(s) that the Credit Union shall be notified if there is any change in the trustee(s), beneficiaries or terms of the trust. Any change shall be effective as to the Credit Union only after it is received in writing by the Credit Union at its business office. Trustee(s) agree(s) that the Credit Union shall be notified of any change in address of any of the persons who are trustee(s) or beneficiaries.

The Credit Union shall have discretion in how it determines the identity of any person claiming to be a trustee. Such determination shall be binding on the member, trustee(s), beneficiaries and any successor trustee(s).

Funds shall be released to any one of the trustee(s) who sign(s) the Signature Card or to a duly appointed successor trustee(s) upon the death, resignation or incompetence of the Trustee(s), which payment shall be valid and discharge the Credit Union from any liability. The Credit Union may, however, require that any or all disbursement be made payable to any one or more of the trustee(s) or that all trustee(s) must authorize the transaction of business on accounts.

The trustee(s) acknowledge(s) and agree(s) that the Credit Union has not received a copy of the Trust Agreement /Instrument and shall, in no event, be liable for its contents.

Trustee(s) hereby warrant(s) that each account he or she establishes and maintains in the Credit Union is established and maintained in a manner that is wholly consistent with the governing trust document.

It is further agreed and understood that if any designated trustee is not personally a Credit Union member, that trustee(s) may be required to withdraw all monies upon the death of last member/co-trustee or member/beneficiary.

This release and agreement shall be binding on the member, trustor(s), trustee(s), all beneficiaries of said trust, and any assignees, heirs or successors.

The trustee(s) hereby agree(s) to indemnify and hold the Credit Union harmless from any and all claims, suits, actions, damages, judgements, costs, charges and expenses, including court costs and attorney's fees, against any and all liability, loss and damage of any nature whatsoever that the Credit Union shall or may sustain resulting from the establishment, maintenance and transaction of any business related to the trust account(s) established pursuant to the Agreement. The trustee(s) agree(s) to pay any necessary expenses, attorney's fees or costs in the enforcement of the indemnification and hold harmless agreement.

All sums paid in on savings or heretofore or hereafter paid in on savings shall be subject to withdrawal by or receipt of any of the trustee(s).

This agreement affects your legal rights. If you desire assistance or advice concerning this agreement, the services of an attorney or other competent professional should be sought.

TERMS AND CONDITIONS APPLICABLE TO CUSTODIAL ACCOUNTS

1. The transferor/custodian is opening an account as custodian for the minor named on the Signature Card or Share Certificate under the Uniform Transfers to Minors Act. The transfer of money to the minor named on the Signature Card or Share Certificate, which transfer shall be deemed to include all dividends and any future additions thereto, is irrevocable and is made in accordance with and to include all provisions of the said statute of the State of California now in effect or hereinafter amended.
2. You acknowledge that by signing the Signature Card or Share Certificate, you have received the funds deposited to the account as custodian for the minor named herein under the Uniform Transfers to Minors Act.
3. The successor custodian named on the Signature Card or Share Certificate shall serve if you should be unable to act as custodian because you resign, die or become legally incapacitated.

TERMS AND CONDITIONS APPLICABLE TO FIDUCIARY ACCOUNTS

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

SAVINGS ACCOUNTS

The Credit Union offers the following savings accounts: Regular Savings, Special Savings, Salary Plan, IRA Sub/Share, Special Occasion Club Savings (Vacation and Holiday), Share Certificate, Escrow/Impound Accounts and IRA Certificate accounts. Except as noted on rate postings, and in this disclosure, the minimum balance required to open any account is \$5.00. The terms and conditions in this Disclosure apply to all

Credit Union accounts unless otherwise noted. The terms and conditions of the Signature Cards are incorporated by reference herein.

Special Savings accounts have no minimum balance requirements. The terms and the conditions of the Regular Savings account govern any and all Special Savings accounts opened under the Regular Savings account number. This includes ownership of the account and beneficiaries (if any), as designated for the Regular Savings account.

Funds in Holiday Club Accounts are paid out as designated on November 1 each year. Funds in Vacation Club Accounts are paid out on June 1 each year. Members who open a Special Occasion Club Savings will receive additional disclosures specific to these accounts. These general terms stated herein are fully incorporated by reference into those separate disclosures.

All members agree to conform to the bylaws or any amendments thereof in LBS Financial Credit Union.

Share/Savings are not transferable except on the books of the Credit Union.

FEDERAL RESERVE BANK REGULATION D TRANSACTION LIMITATIONS: During any month, you may not make more than six (6) withdrawals or transfers to another Credit Union account of yours or to a third party by means of a pre-authorized or automatic transfer or telephonic order or instruction. No more than three (3) of the six (6) may be made by check, draft, debit card, if applicable, or similar order to a third party (excludes Checking account). Each Club or Special Savings, Salary Plan Savings and Money Market account opened under the Regular Savings Account has six (6) withdrawals or transfers per month.

CHECKING (SHARE DRAFT) ACCOUNTS

LBS Financial Credit Union offers a Checking (Share Draft) account which lets you withdraw your money and write checks against your account at any time.

TRANSACTION LIMITATIONS: No transaction limitations apply to your LBS Financial Checking account.

Your LBS Financial ATM or Visa Debit Card allows you to access your Checking account via thousands of ATMs through the PLUS®, STAR®, VISA, and the CO-OP® ATM and POS networks. HomeTeller via your touch-tone telephone or CU OnLine Home Banking via the Internet allows you to verify checks that have cleared, to make loan payments from Checking or transfer funds from Savings to Checking. HomeTeller and CU OnLine are free services offered to LBS Financial members.

To avoid imposition of fees, you must maintain a minimum daily balance of \$300.00 in your Checking account or a combined \$1,500.00 balance in all accounts with the same account number as the Checking account.

If, during any day of the month, your account balance falls below the required minimum daily balance, your account will be subject to a service fee of \$4.00 for that month. The \$4.00 monthly service fee would be reduced by \$2.00 if you have no transactions to your Checking account made in person at any one of the Credit Union offices, the walk-up windows or in person at a Credit Union Service Center office. The fee would also be reduced by \$2.00 if you have a regular monthly deposit being made by Payroll Deduction, Salary Plan, electronic/ACH, or you only use LBS Financial Credit Union (proprietary) ATMs for your ATM Checking account transactions. You must maintain an average daily balance of \$750.00 in your Checking account to obtain the disclosed dividend rate and annual percentage yield.

SUBSTITUTE CHECK POLICY DISCLOSURE SUBSTITUTE CHECKS AND YOUR RIGHTS

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

Some or all of the checks that you receive back from us may be substi-

tute 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 law with respect to those transactions.

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

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

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

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

How Do I Make a Claim for a Refund? If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 562.598.9007 or 714.893.5111. You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include —

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

CHECKING ACCOUNT AGREEMENT

The terms and conditions of this Agreement apply, not only to the regular Checking account, but also to the Money Market account.

1. You authorize us to establish a Checking account. We are hereby authorized to recognize any of the signatures subscribed to the Signature Card for the payment of funds or the transaction of any business for this account.
2. We are authorized to pay checks signed by you and the payments will be charged against your account.
3. The Credit Union is under no obligation to pay a check which exceeds the balance in the Checking account or a check on which the date of making is more than six months unless you give us notice otherwise as required under the Uniform Commercial Code (UCC). The Credit Union may however, pay any overdraft of the Checking account as indicated on the Signature Card.
4. Our authority under this Agreement may not be changed or terminated by you, except by written instrument in such form as the Credit Union may prescribe which will not affect any prior transaction.
5. Only LBS FINANCIAL CREDIT UNION checks, or other methods

approved by us, may be used to withdraw funds from the account.

6. Except for negligence, we are not liable for any action we take regarding the payment or non-payment of a check.
7. Any objection regarding any item shown on a monthly statement of the account shall be waived unless made by way of a written instrument in such form as the Credit Union may prescribe to us on or before the 20th day following the day the statement was mailed, except where the UCC provides otherwise.
8. We are under no obligation to hold a post-dated check and we reserve the right to process every item presented as if dated the same date received by us or our check processor unless you give us notice as required under the UCC.
9. Each owner of the Checking account and/or Money Market account is jointly and severally liable for any overdrafts on this account, regardless of which owner actually negotiated the transaction or instrument which caused the overdraft. Overdrafts and fees may be covered by transferring funds from any and all Share accounts held at the Credit Union by any and all owners on this Checking and/or Money Market account. Overdrafts may also be covered by transferring from any open-end loan held by any and all owners on this Checking or Money Market account at the Credit Union.
10. Overdraft protection for your Share Draft/Checking account is available from your Credit Union Regular Savings, Special Savings, Money Market, QuikCash Line of Credit and Credit Union Visa Classic or Gold accounts. Unless otherwise designated by you in writing, overdraft protection will come first from your regular Savings account, then your LBS Financial Visa account (if applicable). Protection from any of the sources listed above may be set up for you by us to cover an overdraft, or requested by you at any time. Overdraft transfers from Regular or Special Savings and Money Market accounts are subject to Federal Reserve Bank Regulation D limitations and an overdraft fee of \$2.00 per transfer.
11. You shall be liable for such service charge/fees as we may impose for returned items written against insufficient funds, closed accounts, returned items deposited into the account, and for other services in accordance with our Schedule of Fees and Charges.
12. We are authorized to deduct any account service charge/fee from your Checking account or any other Savings or Checking account held by any of the named owners of this account.
13. All non-cash share deposits or payments received in the account may be placed on hold in accordance with our policy of Delayed Availability of Deposited Funds, see below.
14. All requests that payment of a check be stopped must be provided to us in such form as we may establish and as required under the UCC. A fee may be charged as provided in our Schedule of Fees and Services.
15. A photocopy of a paid check is available for seven (7) years from the date the check was paid by us. A fee may be charged as provided in our Schedule of Fees and Services.
16. You authorize us to release information regarding the status and history of your account to others such as credit bureaus, merchants and other financial institutions.
17. We will charge the Checking account for check printing costs at the time the charge is received from the printer. If there are not sufficient funds in the account, we may charge any other Savings or Checking account held by any of the named account owners of this account or overdraw the Checking account.
18. You agree and authorize us that when paid, checks become the property of the Credit Union and will not be returned with the periodic statement of this account or otherwise.

Please refer to our posted Dividend Rates and Schedule of Fees and Services as they apply to your Checking accounts.

MONEY MARKET ACCOUNT

A minimum deposit of \$2,500.00 is required to open the account. Dividends will be based on tiers established by the Credit Union as shown on the current rate sheet and our website at www.lbsfcu.org.

You may not use this Money Market account for pre-authorized withdrawals, payments or deposits. During any month, you may not make more than six (6) withdrawals or transfers to another Credit Union account of yours or to a third party by means of a telephonic or electronic order of instruction. No more than three (3) of the six (6) withdrawals may be by check, draft, debit card, if applicable, or similar order to a third party. You may make unlimited withdrawals, up to the balance available, in person or through an ATM, owned by the Credit Union or some of the CO-OP® Network ATMs.

Fees will be assessed for any checks written or electronic third party payments authorized by you which cannot be honored due to Non-Sufficient Funds (NSF) or Uncollected Funds (UCF). Cancelled checks will not be returned to you. However, copies of paid checks are available to you from the Credit Union. There will be a fee assessed for copies furnished to you. Refer to Schedule of Fees and Services.

If you exceed this six (6) or three (3) monthly withdrawal limitation, you will receive notification. Exceeding these limitations may result in the conversion of this Money Market account to a Regular Draft/Checking account.

The Money Market account is subject to the terms of the Signature Card for the associated Regular Share account as to the rights of beneficiaries, if any. If signed by more than one person, this is a joint account with right of survivorship.

You may authorize a Stop Payment order on a check by contacting the Credit Union. Verbal Stop Payment orders are valid for only 14 calendar days. A written Stop Payment order received by mail or via the Internet shall remain in effect for six (6) months.

INFORMATION ABOUT ALL OUR SHARE CERTIFICATE ACCOUNTS

MINIMUM DEPOSIT AND BALANCE REQUIREMENTS: You must maintain a \$5.00 Share in your Regular Savings account to open your Share Certificate account and to avoid Share Certificate account closure.

MATURITY: Your Share Certificate account will mature on the date shown on your original Certificate and, if your Certificate is renewed, your new maturity date will show on your Certificate Renewal Notice.

TERMS AND CONDITIONS APPLICABLE TO SHARE CERTIFICATE ACCOUNTS: The terms and conditions set forth in your Share or IRA Certificate are incorporated by this reference.

DISCLOSURE OF DELAYED AVAILABILITY OF DEPOSITED FUNDS

Our policy for check holds on Credit Union deposits is generally next day availability and case-by-case holds to statutory limits and exceptions.

Electronic direct deposits will be available on the day we receive the deposit. Once these funds are available you can withdraw the funds in cash and we will use the funds to pay checks that you have written. You will still be responsible to the Credit Union for payment if a deposit item is returned to us for non-payment after we have previously released the funds to you.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays and federal holidays. If you make a deposit in person to a Credit Union employee before the close of business on a business day that we are open, we will consider that day to be the day of your deposit.

If you make a deposit before 3 p.m. Monday through Friday at an LBS Financial or CO-OP® Network ATM machine that can accept deposits, we will consider that day to be the day of your deposit. However, if you make an ATM deposit after 3 p.m. Monday through Friday, or on Saturday, or at any time on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Deposits at Automated Teller Machines: Funds from any deposits (cash

or checks) made at Automated Teller Machines (ATMs) we do not own or operate will not be available until the fifth business day after the day of your deposit, this rule does not apply at ATMs we own or operate.

Deposits mailed to the Credit Union are considered deposited on the day they are received by the Credit Union.

Deposits made to a night depository drop box are considered deposited on the day on which the deposit is removed from such facility and is available for processing by the Credit Union.

LONGER DELAYS MAY APPLY

In some cases we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the location where the deposit is made and the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. However, the first \$100 of your deposit will generally be available on the first business day.

Deposits made at the Credit Union Service Centers will be subject to hold, unless they are one of the following: cash, government check (state, local or federal including U.S. Postal money orders), official check from depository institution (i.e. Cashiers Check), travelers check or money order. Checks made payable through local financial institutions will be held for two (2) business days, and non-local items will be held for five (5) business days. Generally, the first \$100 of your deposit will be available the next business day. These holds may be extended on a case-by-case exception basis. If an extended hold is placed on your deposit made through a Credit Union Service Center, you will receive notice from us advising you. The notice will also advise you when the funds will be available for you.

If you make a deposit in person and 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 process your deposit.

In addition, funds you deposit by check may be delayed for a longer period. Some of the circumstances that could delay the availability are:

- We believe a check you deposited will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You re-deposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

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

SPECIAL RULES FOR NEW ACCOUNTS

The following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit.

Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashiers, certified, tellers, travelers and federal, state and local government checks will generally be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available within 11 business days 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 generally be available within 11 business days after the day of your deposit.

OTHER METHODS OF HOLDS ON FUNDS

THE FOLLOWING RULES MAY APPLY ON A CASE-BY-CASE BASIS. WE WILL NOTIFY YOU AT THE TIME YOU MAKE YOUR DEPOSIT SHOULD WE INVOKE EITHER OF THESE HOLDS.

Holds on Other Funds (Check Cashing):

If we cash a check for you that is drawn on another institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it, in accordance with the aforementioned Disclosure of Delayed Availability of Deposited Funds.

Holds on Other Funds (Other Account):

If we accept for deposit a check that is drawn on another institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Automated Teller Machine Deposits (Extended Hold)

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate may not be available until the fifth business day after the day of your deposit. This rule does not apply at ATMs that we own or operate. ATMs that we own or operate follow the standard delayed availability of deposit funds policy. However, until the deposit is verified, a temporary hold may be placed upon your account.

All ATMs that we own or operate are identified as our machines.

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Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency