Making Good Happen

Business Membership and Account Agreement

Effective April 20, 2026

VALLEY FIRST FEDERAL CREDIT UNION

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INTRODUCTION

We thank your Business (Business, you, your) for becoming a member of Valley First Federal Credit Union operating as Valley First Credit Union (Valley First, Credit Union, we, us). Please read this Business Membership and Account Handbook carefully.

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 individual responsible to Valley First for your business's financial obligations (an "individual obligor"). Other reports we may use to evaluate your account application or your ongoing relationship with us include information from federal agency reports, the motor vehicles department of any individual obligor's state of residence, or other state agencies in which any individual obligor has resided.

BUSINESS MEMBERSHIP

Types of Accounts

Refer to the Business Account Schedule for information about available business accounts and related services. Credit we extend to business members will be subject to separate written credit agreements.

Business membership in the Credit Union is open to sole proprietorships, general partnerships, limited partnerships, limited liability partnerships (LLPs), limited liability companies (LLCs), for-profit and nonprofit corporations, and unincorporated associations such as PTAs and sports leagues within the Credit Union's field of membership.

By establishing Business membership, you warrant the Credit Union services established for you will be for business or organizational purposes and not for personal, family, or household purposes.
Deposit and maintenance of any required minimum balance specified in our bylaws in a Business Savings Account makes your Business an owner of the Credit Union and entitles your Business to all of the rights and benefits of membership, including the right to apply for Business Services.

If your Business is a sole proprietorship and you maintain a personal membership in the Credit Union, you will not receive additional voting rights. If your Business is another type of entity, your business will receive one vote, which may be exercised by an authorized agent of your business. If you have any questions regarding eligibility, business documentation requirements, or any of our services, please call us at 1(877) 549-4567 for Business Membership Services or visit www.valleyfirstcu.org.

You must provide us with the correct US taxpayer identification number for the Business, which will generally be a social security/taxpayer identification number or an employer identification number. It is your responsibility to determine the taxpayer identification number you should use for your Valley First business services. We will not inquire as to the correctness of the number you supply, but if we are notified by the Internal Revenue Service that the number you are using is not correct, and you fail to rectify the situation, we can suspend access to your business accounts until you rectify the situation or you close your accounts.

Your completion and submission of a Business Membership Application is a continuing authorization to us to open other Business Accounts for you upon your oral or written authorization and deposit of funds. Extension of business credit requires submission of a complete business credit application and credit approval. Terms of credit extended, if any, will be set forth in the credit agreement between you and the Credit Union.

We reserve the right to deny membership and accounts for businesses that we determine pose unacceptable compliance, legal or reputational risk. For example, we do not open accounts for medical marijuana dispensaries, money service businesses, gambling establishments, or adult entertainment businesses. If we learn after we establish your membership that your Business is engaged in activity that violates state or federal law or otherwise poses undue compliance, legal, or reputational risk, we can deem your Business to be in substantial breach of this Business Handbook, close all of your Business Services, and expel you from membership

Each Owner of and Authorized Person on a Valley First Business Account will be subject to review of their financial institution history and must satisfy our Customer Identification Program requirements. We reserve the right not to permit or add an Authorized Person to an account if we reasonably believe doing so poses material risk of loss to Valley First.

Documentation Requirements

To establish a Business membership and establish any business service with the Credit Union, you must provide documentation of your Business. For-profit and non-profit corporations, limited liability companies, limited liability partnerships, and limited partnerships must provide certified copies of their articles of incorporation, articles of organization or limited partnership certificates. Other types of entities must provide the documents that establish their organizations, if any. Any Business that operates for profit under a fictitious business name must provide a copy of its current filed fictitious business name statement. All businesses must also provide copies of their business licenses if required by the location in which the business operates. Businesses organized outside California must provide documentation of their authorization to conduct business in California. We may request additional documentation if we deem it necessary for verification, risk management, or other business purposes.

BINDING CONTRACT

This Business Membership and Account Agreement (Business Handbook) is a master agreement covering your Business's membership in the Credit Union and the terms of all Credit Union business accounts. It supplements the terms of the Business Membership and Account Application (Business Membership Application) and the current version of the Business Account Product and Fee Schedule (Business Account Schedule). By signing the Business Application and opening an account with the required minimum deposit of, you agree to the terms of this Business Handbook and any agreements governing any account, loan, or other services we provide to your Business (Business Services). Agreements governing your Business Services may be amended from time to time upon legally required notice. By maintaining the service after the effective date of any amendment, you agree to the terms as amended. Not all terms in this Business Handbook apply to every service. Please refer to the sections that apply to the services you have. Keep this agreement with your permanent documents. Your periodic statements will keep you informed on the status of your accounts

Account Ownership and Authority

The Business entity named on the Business Membership Application owns all Accounts opened under the application and related member number. In the case of a sole proprietorship, the individual and the entity are one and the same. Every Authorized Person named on the Business Account Application and Agreement represents to the Credit Union that the corporation, general partnership, limited partnership, LLC, LLP or association exists and that each Authorized Person is authorized to transact any business relating to the Account as reflected on the Business Application and Agreement or any authorization limits to which we agree as to specific Authorized Signers. You agree to indemnify, defend and hold the Credit Union harmless from any liability we incur if the authority does not exist or is abused. The Business entity owning the Account agrees to be responsible for the actions or omissions of any Authorized Person. The individuals responsible for management and control of the Business acknowledge their obligation to properly monitor all Business Service activity.

Any change in account authorization, ownership, or access shall be submitted to us in writing in the format we require the Account Administrator.

We do not offer accounts that require multiple signatures. If you indicate on your Business Membership Application or other documents that more than one signature is required for a withdrawal, this indication is for your own internal procedures and is not binding on us. We may pay out funds from your account if the check or other withdrawal instruction is signed or approved by any one Authorized Person and will not be liable to you for doing so. Only if we have agreed in writing to limit access tied to the access credentials used to generate an item, and we honor a withdrawal instruction that exceeds the agreed limit, we will be liable for the amount by which the item exceeds any limit to which we have agreed.

Account Access

Each Business must designate an Account Administrator on your Business Membership Application. The Account Administrator will be the Business' primary contact with the Credit Union and have unlimited access to information about and unlimited transaction authority on the Business Services.

The Business Membership Application may also designate other individuals as Authorized Signers on behalf of the Business. Collectively the Account Administrator and any other Authorized Signers may be called "Authorized Persons" in this Handbook.

Authorized Signers will have unlimited access to information about Business Services and be able to sign checks on the Business's Account in any amount. We pay checks in an automated processing environment and do not have the capacity to monitor compliance with limits on Authorized Signers' check-writing authority. However, we can agree in writing to enforce transaction limits associated with Authorized Signers for in-person transaction and transactions initiated with an Authorized Signer's Debit Card or Remote Banking credentials.

After a Business Account is opened, only the Account Administrator will be able to open and close accounts or add, remove, or change the transaction authority of Authorized Signers. If the Business wishes to change the Account Administrator, we will require the Business to follow authorization documentation, identification, and security procedures we deem reasonable.

You are responsible for oversight of your employees and other agents. If you designate a person to us as an Authorized Signer, we will honor any transactions the Authorized Signer initiates and will have no liability for doing so unless they exceed a limit on their authority to which we have agreed in writing. We undertake no obligation to monitor transactions initiated by Authorized Signers to confirm whether they are authorized by or for the benefit of the Business to determine whether they are acting are on the owner's behalf.

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

Non-Manual Signatures (Other Than E-Signatures)

If the Business elects to sign checks or other written instructions to us by means of a signature stamp, mechanical signature, or different means other than a hand-signed signature (each a non-manual signature), you must notify us in writing and give us a sample of each non-manual signature you want us to honor. We will honor non-manual signatures for your convenience. The Business is solely responsible for maintaining security over any device used to affix non-manual signatures to checks and other written instructions and for supervising your personnel. You agree that such non-manual signatures will be effective as the signature of an Authorized Signer regardless of whether the Business actually authorized the check or other instruction. You agree to indemnify and hold us harmless from all losses resulting from our honoring an item that bears or purports a non-manual signature on file with us.

Electronic Signature and Notices

From time to time, with your prior consent, we may provide you with certain notices, disclosures or contracts, some of which are required by law to be "in writing." The Federal E-SIGN Act and certain state laws allow us to provide you these written notices, disclosures or contracts electronically. These laws also allow the use of electronic signatures and recognizes them as legally binding. This consent relates to any electronic records or signatures associated with any of your products or services. We reserve the right to provide you notices, disclosures or contracts in paper, or require an original signature even if you have consented to receive electronic records. You may also request any electronic documents in paper form or withdraw your consent to receive electronic documents. For additional information on your rights, to request a paper document or to opt-out of receiving electronic documents please contact Member Service toll-free at (877) 549-4567.

Your Contact Information

It is important that the Credit Union's record of your contact information be kept current. Otherwise, you will not receive notices or other correspondence the Credit Union may send you from time to time. You agree to accept full responsibility for keeping the Credit Union's record of your address, email and phone number up to date and that any notice, including notices of interest rate changes, changes of the fees and charges imposed by the Credit Union, and any other notice the Credit Union sends you will be effective if sent to the last address or email address you have furnished to the Credit Union. You agree that if a notice or other correspondence sent to your address or email address according to the Credit Union's records is returned by the postal service or email service provider as undeliverable for any reason other than the Credit Union's error in entering your address or failure to pay proper

postage, the Credit Union need not send future notices to you until you have furnished us with new contact information. You agree to be bound by any notice not sent to you because previous mailings were undeliverable.

Protecting Your Accounts from Fraud

Protect account numbers, debit cards, debit card numbers, debit card personal identification numbers (PINs), and Remote Banking credentials issued in connection with your Business Services. Never keep your PIN with a debit or credit card, which can provide free access to your accounts if your card is lost or stolen.

Use caution when disclosing account numbers, social security numbers and other identifying information to other people. If someone calls you and says that they are calling on behalf of the Credit Union, beware. Our staff will have access to your information and will not need to ask for it. If you call us, or in some cases if we call you (such as to follow up on an inquiry you have made), we may ask for a limited amount of information about you, such as the last four digits of your social security number or your date of birth, so we can match the information you provide with what is in our records to confirm your identity.

Keep us informed of your current address and telephone numbers and any changes to your Authorized Persons. We will act on the most recent information you have given to us.

If we detect potentially fraudulent or unauthorized activity or use of an account, we will attempt to contact you immediately. You agree that we can refuse to permit activity we reasonably believe may be fraudulent, unauthorized, or otherwise subject the Credit Union to loss. This is not, however, a guarantee that we will detect or prevent fraudulent activity on your accounts or be able to reach you to verify attempted transactions.

You are responsible for monitoring your accounts and supervising your Authorized Persons and other employees and agents, promptly reviewing all statements and other information we send you regarding your accounts, and immediately reporting to us any suspicious activity.

Paperless Statements

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

Paperless Statement Enrollment

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

Accessing Paperless Statements

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

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

TRANSACTIONS

Cutoff Hours

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

- The cutoff hour for ATM deposits is 11:59 p.m. (Pacific Time) each business day.
- Express Deposits are collected at 4:30 p.m. (Pacific Time) Monday-Friday and 1:00 p.m. on Saturday; credited the next business day.
- The cutoff hour for Mobile deposits is 4:00 p.m. (Pacific Time) each business day.
- The cutoff hour for in-branch deposits is the close of the business day.
- The cutoff hour for sending wire transfers is 12:30 p.m. Pacific Time
- The cutoff hour with respect to any knowledge, notice, or stop payment order received by legal process with respect to a check is the close of the business day.

Deposits and Withdrawals

Deposits and withdrawals can be made electronically through the Automated Clearing House (ACH) Network, via Remote Banking, by wire transfer, by automated teller machine (ATM), in person, by telephone, or by mail. Withdrawals can also be made from Business Checking Accounts using a Valley First Business Debit Card with a PIN or signature at merchant terminals or by giving the necessary Debit Card information to a merchant over the telephone or the internet. If you initiate a telephone withdrawal directly with us, it can be made only by transfer into another Credit Union account of your business, or by a Credit Union check made payable to the business and mailed to the business's address shown on our records.

Non-cash deposits are subject to delayed availability, as spelled out in the "Funds Availability Policy" section of this Business Handbook.

You can make as many deposits as you wish to all account types, although once you open a Business Certificate Account, additional deposits are not permitted except during the grace period that follows the maturity date.

On your Business Checking Account, you can write as many checks and make as many withdrawals by other means as you wish as long as you have sufficient funds.

You authorize the Credit Union to supply missing endorsements on items payable to you and deposited by you to accounts of yours. You agree to reimburse us for any loss we incur with respect to any item deposited by you with a deficient or improper endorsement. If you do not pay us upon our demand, you agree that our right of offset applies. If we cannot recover what you owe by exercising our right of offset, you agree that our right to

recover collection costs applies.

The Credit Union may refuse to accept any item for deposit at our sole reasonable discretion. Inconsistency between the payee of an item and the title of your Business Account to which it is deposited is one reason we are allowed but not required to refuse to accept an item for deposit. You remain responsible for all items deposited to your accounts and reimburse us for any losses caused to us by items deposited to your accounts.

Our responsibility in handling your deposits is limited to the exercise of ordinary care as your agent for collection.

All items provisionally credited to your Account are subject to chargeback if final payment is not received from the paying financial institution. Non-cash deposits are made available only after the times specified in the "Funds Availability Policy" section of this Handbook. Please observe these delays in writing checks unless you intend to rely on your overdraft protection.

You waive the right to receive notice of dishonor of an item and authorize the Credit Union to pursue reasonable collection of a dishonored item.

You understand that in processing items deposited for collection through the electronic clearing system, we are not responsible for any information other than the MICR encoding, the payee bank identification, the payee, and the amount of the item.

The federal government and other entities that make erroneous payments to your Accounts may reclaim them. You agree that we can debit your Account for the amount of any reclaimed payment.

Transactions on your accounts and the parties to them are subject to screening against lists maintained by the U.S. Office of Foreign Assets Control and may be subject to other screening requirements imposed by governmental authorities. If applicable law subjects a transaction to blocking or prohibits the transaction, the transaction may not occur, or the funds associated with the transaction may be held and unavailable to you or other parties to the transaction. Transaction screening may delay availability of anticipated deposits. You agree that Valley First will have no liability to you as a result of blocking or prohibition of transactions or delayed availability of funds that we in good faith determine to be necessary to comply with applicable law and regulation.

Additional Terms and Conditions - Transactions

We will make payments on checks drawn on available funds in your Business Checking Account when signed by any Authorized Person.

Withdrawals can also be made with a PIN and a Credit Union Business Debit Card from any ATM or POS terminal that offers a cash back option, or via ACH, via, audio response, Remote Banking, or wire transfer. A Business Debit Card can also be used to make payments from your Business Checking Account to participating merchants worldwide. The use of ACH, audio response, a Business Debit Card, or Remote Banking to access your Business Accounts is subject to the ELECTRONIC SERVICES section of this Business Handbook. Wire transfers are subject to the WIRE TRANSFERS section of this Business Handbook.

Endorsements and Other General Policies.
We have the right to honor only completed, signed, and endorsed checks, on blanks printed by us or another approved check-printing company, and purchased by you for your use. We operate, however, in an automated processing environment, and will not be liable to you for honoring checks that are not properly completed and signed unless you report the problem to us within 30 days after we send you the statement on which the check appeared.

Spoiled checks should be destroyed or, if retained, disfigured. If your checkbook makes carbon copies, the carbon copy of a spoiled check should be marked "void."

We have the right to refuse to cash checks drawn on your account and payable to third party non-members until the payee's bank verifies or guarantees their endorsement.

Laws, Regulations, and Procedures.
Business Checking Account transactions will be subject to the Uniform Commercial Code as adopted in California and other applicable California law, Federal Reserve Board regulations applicable to business accounts, and Credit Union procedures all as amended or changed from time to time. ACH transfers will be subject to the operating rules of the National Automated Clearinghouse Association and applicable law including but not limited to Article 4A of the Commercial Code. Wire transfers will be subject to applicable law including but not limited to Article 4A of the Commercial Code and Federal Reserve Regulation J. In processing funds transfers for you, we can elect any system in our reasonable discretion.

ACCOUNT TERMS

The Credit Union may offer a number of business accounts, such as Business Savings, Business Checking, Business Money Market and Business Certificate accounts. The current version of the Business Account Schedule shows currently available accounts. Overdraft protection is available on Business Checking accounts from your Business Savings Account, Business Money Market Account, or your linked Business Line of Credit (if you request and are approved for one). All of your accounts are accessed through your business's primary member account number. You must maintain a Business Savings Account at all times to be eligible for business membership.

Terminology

Terms are defined throughout this Handbook. In addition, "item" means any ATM withdrawal, wire transfer, ACH transaction, teller cash withdrawal, check, debit card purchase, Remote Banking payment, fee, or other amount that is credited to or debited from your account.

Handling Accounts Upon Death, Disability, or Cessation of Entity Existence

If the owner of a sole proprietorship Account dies, account proceeds pass to the deceased owner's estate. If the Credit Union has actual notice of the disability of the owner of a sole proprietorship Account, the Credit Union will follow the instructions of the person appointed by a court or valid power of attorney to handle the property of the disabled sole proprietor. A sole proprietorship account with a natural person member-owner may not remain open after completion of administration of the natural person member-owner's estate, We allow designation of pay on death beneficiaries on business accounts only if the business entity form is sole proprietorship and there is only a single natural person member-owner.

In all other cases, individuals listed as Authorized Persons on the Business Account Application are not joint owners with right of survivorship. Instead, the business entity continues to own the Account after the death or disability of an owner or Authorized

Person. If one Authorized Person dies or becomes disabled, any remaining Authorized Person(s) can continue to conduct business on the Account. If a sole Authorized Person on a Business Account for an entity other than a sole proprietorship dies or becomes disabled, the Credit Union can follow the instructions of any person the Credit Union reasonably believes has authority to conduct business on the Account on behalf of the Business.

If a corporation, limited partnership, LLP. or LLC is dissolved; the Credit Union will follow the instructions of any Authorized Person until the Credit Union has actual notice of the dissolution. Once the Credit Union has actual notice of dissolution, the Credit Union will follow the instructions of any person authorized by the dissolution documents with respect to distribution of Account proceeds and Account closing.

Minimum Balance: Inactive Accounts

Your business membership is conditioned on your maintaining in your Business Savings Account at least the minimum account opening balance. If for any reason your balance drops below this amount, you may be denied other Business Services. Access to Accounts with no member-initiated activity within a member number for more than 12 consecutive months may be restricted and require verification of the transaction that reactivates the Account.

Inactive accounts (with no member-initiated activity for more than 12 consecutive months) may be charged an inactive account fee. Please refer to the Business Account Schedule.
To avoid the fee, you must perform at least one of the following activities:

- Make a deposit or withdrawal
- Write a check that clears your account
- Use a Valley First Credit Union debit card at an ATM, for a Point-of-Sale (POS) transaction, or for a signature- based purchase
- Use a Valley First Credit Union's online Bill Pay service
- Have an ACH deposit or withdrawal post to your account
- Consent to receive eStatements (instead of paper statements)
- Open an active Business Checking account
- Obtain a loan
- Contact Valley First Credit Union to discuss your financial needs

If you do not perform one of these activities within the previous 12 months, the Credit Union will charge an Inactivity Fee for each month the inactivity continues. If your account falls below the minimum balance required to keep your account open and maintain your membership, we may place you on Inactive Status and charge your account a Below Minimum Balance Fee in accordance with the Fee Schedule until the account is closed.

Accounts are Non-Transferable

Except for Business Checking Accounts, all Accounts are non- transferable, other than on the books of the Credit Union. This means that you cannot transfer your Credit Union accounts to other ownership unless you complete documentation we require. We reserve the right to require you to give us up to 60 days' notice before you withdraw funds, except on Business Checking Accounts.

Errors and Unauthorized Transactions

Please read your statements promptly to be sure there are no errors. It is your responsibility to detect forged or altered drafts or unauthorized activity on your accounts. Compare the statement list of paid checks and other payments and withdrawals with your own records. The Credit Union will be responsible for any errors which we make due to our failure to exercise ordinary care, provided you notify us in writing within 30 days of date we mailed or made available to you electronically the statement containing the errors. We will not be liable for our mistakes if you fail to notify us within the 30-day period.

If we correct any error which we made, or accept any responsibility for a transaction, we have the right to collect the amount credited to your Account from anyone else who is responsible. Our crediting your Account will result in an automatic assignment to us of your rights to collect the amount from anyone else. You agree to provide reasonable cooperation with our collection efforts.

If we make an error in handling your account or if an unauthorized transaction for which we are responsible occurs, our liability will be limited to the actual damages, not to exceed the amount of the transaction and any interest we are required by law to pay. We will not be liable for consequential damages such as alleged harm to your credit standing, unrealized profits, lost business opportunities, emotional distress, or exemplary damages even if you claim intentional misconduct or reckless disregard of the consequence of our actions.

Permanent Records

If you have a Business Checking, Business Money Market or Business Savings Account with electronic activity we will send you monthly statements recording all account transactions and charges. All active Business Accounts will receive statements not less often than quarterly. If your account is inactive except for the posting of dividends and fees, you will receive a statement at least annually. The statement will be sent to the business at the mailing address shown in our records.
You will not receive canceled checks. We can, however, provide copies of checks upon request. The Credit Union is relieved of all liability for items lost in delivery by U.S. Mail or otherwise, or not collected by the member. If any mailed statements, vouchers, or notices are returned, undelivered, by the U.S. Mail, the Credit Union is authorized to destroy them.

Closing Accounts

The Account Administrator may close a Business Account We have the right to close your business accounts for any lawful business reason. We will generally give 10 days' written notice to you at your last known address before closing a business account unless in our reasonable judgment keeping the account open puts us at risk of loss. We can close a business line of credit for any lawful reason without advance notice, though we will notify you at the time the line of credit is closed. Any closing of your Business Accounts will not affect our handling of regular transactions prior to the notice, provided that sufficient funds are on deposit to handle them.

Business Accounts in which there is no member-initiated activity for 12 months may be closed at our option or subject to inactivity fees set forth in the Business Account Schedule. We will close accounts by mailing a check for the proceeds payable to you at your address in our records. If the check is not negotiated, it will be escheated according to applicable law. Any account remaining open with no member-initiated activity for the statutory period will also be escheated. Please refer to the "Escheat Policy" section of this Handbook.

Lawful reasons we can close your accounts include, but are not limited to, your failure to provide funds sufficient to pay the checks you write or other payment transactions, an unrestored negative balance in your account, your failure to maintain current loan payments, your filing for bankruptcy relief, your

misuse of the account for check "kiting" or other unlawful purpose, balance manipulation to take advantage of a "float," you're creating a loss to the Credit Union due to a charged-off loan or un-restored overdraft, or your failure to observe the conditions of any other agreement with the Credit Union.

Closing of your accounts by you or us will not relieve you of any obligations you have to us.

Fees, Collection Costs, Damages

Our charges for special handling of any of your accounts are listed in the Business Account Schedule. For the most part they cover our direct cost of special handling. In some instances, they result from your failure to carry out your side of your agreements with us, such as not having enough money in your account to cover your checks or other payment transactions. To the extent that our charges for handling such matters may exceed our costs, they are to be considered damages.

We are not giving up any right we may have under the law to recover any loss we sustain due to your failure to meet the terms of this agreement or other agreements you have with us.

Escheat of Inactive Accounts

If you have not initiated any transactions or correspondence on any accounts or loans you maintain with us, funds in your accounts may be subject to escheatment (turnover to the state). We may charge the maximum fee allowed by law for this process. In general, if your last known address was in California, or in a foreign country, funds will escheat according to California law. You will receive a warning required by law that your accounts may escheat unless your total balances with the Credit Union are less than any minimum provided for in California law. If your last known address is in another state, an escheat will depend on the laws of that state.

ADDITIONAL BUSINESS CHECKING ACCOUNT TERMS

The following additional terms apply to your Business Checking Account.

Transactions

We will make payments on checks drawn on available funds in your Business Checking Account when signed by any Authorized Person.

Withdrawals can also be made with a PIN and a Credit Union VISA® Debit Card from any ATM or POS terminal that displays the logos printed on the card, or via ACH, via, audio response, Remote Banking, or wire transfer. A Debit Card can also be used to make PIN- or signature-based payments from your Business Checking Account to participating merchants worldwide. The use of ACH, audio response, a VISA® Debit Card, or Remote Banking to access your Business Accounts is subject to the ELECTRONIC SERVICES section of this Business Handbook. Wire transfers are subject to the WIRE TRANSFERS section of this Business Handbook.

Endorsements and Other General Policies

We have the right to honor only completed, signed, and endorsed checks, on blanks printed by us or another approved check-printing company, and purchased by you for your use. We operate, however, in an automated processing environment, and will not be liable to you for honoring checks that are not properly completed and signed unless you report the problem to us within 30 days after we send you the statement on which the check appeared.

We have the right to refuse to cash checks drawn on your account and payable to third party non-members until the payee's bank verifies or guarantees their endorsement.

Overdraft Protection

You can request that the Credit Union provide overdraft protection for your Business Checking Account by transfers from a Business Savings or Money Market Account or advances from a Line of Credit. Select the sources to be accessed by completing and signing the appropriate section of the Business Application. Your completion of this section binds you to the terms and conditions applicable to the selected overdraft protection service(s) as set forth herein. Lines of Credit are subject to credit approval.

If any Authorized Person writes a check or initiates another payment transaction that causes your Business Checking Account to be overdrawn, the Credit Union will pay the check or other transaction by either transferring funds from your Business Savings or Business Money Market to your Checking Account. To use your Business Line of Credit to cover an overdraft, you must telephone us during our normal business hours before the item is presented to us for payment; automated overdraft advances from Business Lines of Credit are not available. Any transfer or advance will be in an amount sufficient to pay the item plus any Overdraft Transfer Fee or Overdraft Advance Fee shown in the Business Account Schedule. If neither available funds nor overdraft protection are available, we will at our sole option return or decline the item or pay the item, in which case the "Returned/Declined NSF Fee" or the "Paid NSF Fee" shown on the Business Account Schedule will be assessed.

We will not make any transfers from a Business Savings Account or Business Money Market Account that would result in the balance falling below the required minimum balance.

No overdraft protection advances will be made from Lines of Credit that do not have sufficient available credit, or that have been closed to advances by borrower request or by the Credit Union. Refer to the Line of Credit Agreement for further detail about the circumstances in which it may not be available for advances

If our payment of an overdraft results in a negative balance, you must immediately deposit funds to restore your account to a positive balance upon our demand.

We also have the right to offset an overdrawn account balance with the proceeds of any other account in which the business or any personal guarantor of the business's obligations has an interest.

Unless you set up and maintain in good standing overdraft protection sources, the Credit Union can close your Business Checking Account without prior notice for repeated overdrafts.

At our option, we have the right to automatically redeposit NSF checks without notice to the parties.

Stop Payments on Checks

You can stop payment on any check drawn on your account before the check clears by notifying us orally or in writing. We will not implement a stop payment unless you provide the account number, check number, and exact amount of the check so that we can make an effective search. We can require you to follow up oral notice with a written stop payment confirmation within 14 days. If you do not comply with our request for written confirmation, the stop payment request will be suspended. Stop payment requests will be processed promptly, but the Credit

Union will not be responsible for a check that is paid between the time we take your request and the time we are able to process the request. Written stop payment orders are valid for six months unless you renew them in writing before the end of the six-month period. If you wish to release a stop payment order, you must complete a stop payment release form.

If we fail to carry out a timely and accurate stop payment request, we are not required to reimburse you if the check we paid over your stop payment request discharged a valid obligation of yours. If we do reimburse you for our failure to execute a timely and accurate stop payment request, our reimbursement will not exceed the amount of the check, and our reimbursement will automatically assign to us any claims you have against the payee of the check. You agree to cooperate in our efforts to collect from the payee or any third party the amount of any check we pay over your valid and timely stop payment request

You agree to defend, indemnify and hold us harmless from any claims, damages, losses, liability or expenses we incur as a result of acting on a stop payment order.

Stop pay requests will not be honored on Credit Union cashier's checks or money orders. However, you may be able to apply for a refund for a lost, stolen, or destroyed Credit Union Credit Union check or money order in certain limited circumstances.

Stop payment requests are subject to a fee. See the Business Account Schedule.

Refer to the Electronic Transfers section of this Business Handbook for information about the types of electronic transfers on which you can stop payment.

Post-Dated and Stale Dated Checks

The Credit Union is under no obligation but may pay a share draft which is presented more than six (6) months after it is dated. The Credit Union may assess a special handling charge upon receipt of any such item in addition to a service charge upon the account in accordance with the Business Fee Schedule adopted by the Credit Union and as amended from time to time.

Pledge of Funds Limitation

Funds deposited in your Business Checking Accounts cannot be pledged as security for any loan. They are, however, subject to our Right of Offset.

ACH Conversion of Checks

Merchants and others to whom you write checks may convert them to ACH entries. Generally, you must be given notice before this can happen, and certain restrictions apply.

Cashier's Checks

If you obtain a check drawn on the Credit Union ("cashier's check"), the Credit Union is, under normal circumstances, guaranteeing the payment of the check. For that reason, we cannot honor stop payment requests, and we will only accept a replacement or refund request on a written declaration made under penalty of perjury that the check was lost, stolen, or destroyed before it was negotiated. When you request the original Cashier's Check, you are called the "purchaser," and the person to whom the check is payable is called the "payee." Depending on the circumstances in which you request refund or replacement, the Credit Union can require a declaration under penalty of perjury from the purchaser alone or from both the purchaser and the payee.

If the Credit Union receives a request for a refund or replacement of a lost, stolen, or destroyed cashier's check after the cashier's check has cleared, no refund or replacement will be issued, and the Credit Union will not be responsible for the loss.

If the Credit Union replaces or refunds a lost, stolen, or destroyed cashier's check, the Credit Union will not be responsible for any loss resulting from paying the original item if the Credit Union determines, in our reasonable opinion, that the Credit Union is required to pay the item. The Credit Union reserves the right not to issue a refund or replacement until 90 days after the date of the cashier's check, and to require you to purchase a lost instrument bond if we agree to refund or replace a cashier's check before 90 days after the check date. If the Credit Union issues a refund to the purchaser or issues a replacement item, the Credit Union is generally discharged from further liability. If a holder in due course presents the original check, the purchaser or payee must pay the amount of the original check to the holder in due course or to the holder's financial institution, or to the Credit Union if the Credit Union is required to pay the item to the holder in due course or the holder's depository financial institution.

Fees for cashier's checks, and for processing replacement/refund claims, are shown in the Business Account Schedule.

Legal Process Against Your Account

When the Credit Union is served with garnishments, levies or other legal claims on your accounts, the Credit Union has the right to freeze the accounts and turn over funds to the third party or the agent of the third party asserting the claim. The Credit Union will not incur liability to you for complying with any lawful claims against your accounts unless the Credit Union complies with the claim after we have been notified that you have taken the necessary legal steps to stop us from doing so.

You agree to defend, indemnify and hold the Credit Union harmless against any third-party claims that arise if the Credit Union honors checks or other withdrawal requests on your account while a third-party claim against your account is pending.

Fees for handling legal process against your accounts are shown in the Business Account Schedule.

Backup Withholding

The Credit Union has the right to withhold, and in some cases may be required to withhold, amounts required by federal or state tax laws from withdrawals if you, the Internal Revenue Service or another tax collecting authority advise the Credit Union that you are subject to backup withholding or if you fail to give the Credit Union your correct taxpayer identification number.

FUNDS AVAILABILITY POLICY

Summary of Your Ability to Withdraw Funds at the Credit Union

When you deposit an item (such as a check) drawn on another U.S. financial institution, there is always a time delay before the item reaches the institution on which it was drawn and we receive payment. For this reason, the Credit Union sometimes will not allow you to immediately withdraw the money represented by these items. The delay in availability of your funds, if there is one, is counted in business days from the day of your deposit. Business days are every day except Saturday,

Sunday and federal holidays. Business hours are posted at each office and deposit cutoff hours are posted at each of our ATMs that accepts deposits to Valley First accounts. If you make a deposit after hours on a business day or on a non-business day, the next business day is considered the day of your deposit.

Same-Day Availability

1) Electronic direct deposits when we receive final payment in collected funds.
2) Cash if deposited in person to a Valley First teller.

Next-Day Availability

The following items will be available the next business day if payable to the business and deposited into the business account:

1) U.S. Treasury checks.
2) Checks drawn on Valley First.
3) The first $275 of other check deposits.

The following items will be available the next business day if payable to the business and deposited to the business's account in person to a Valley First employee.

1) California state, county, city or public agency checks.
2) Cashier's certified and teller's checks.
3) Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders.

These items will be available the second business day if not deposited in person to a Valley First employee.

Other Check Deposits

The funds over the first $275 of other check deposits will be available the second business day after the day of your deposit. For example, if you deposit another check of $700 on a Monday, $275 of the deposit is available on Tuesday. The remaining $425 is available on Wednesday.

If we cash a check drawn on another financial institution for you, we may hold an equal amount of funds that are already in your account. Those funds will be available when funds from the check we cashed would have been available.

ATM Deposits

The first $275 of funds from deposits other than US Treasury checks and the first $6,725 of deposits of US Treasury Checks that you make before 11:59 p.m. at a Valley First ATM will be available the next business day and the remaining funds will be available on the second business day. If you make a deposit at a Valley First ATM after 11:59 p.m. on a business day, or on a weekend or holiday, the remaining funds will be available as if you had made the deposit on the following business day. For any type of deposit, if the deposit was made at an ATM Valley First does not own or operate, the funds may not be available until the fifth business day after the day of your deposit.

Longer Delays May Apply

The Credit Union may choose to delay availability for a longer time. If so, you will be notified in writing and told when funds will be available. If the decision is made after you left our branch, or if the deposit is not made in person to a Valley First employee, the notice will be mailed to you the day after the deposit was received.

If you need your funds right away, ask a Valley First representative when the deposit will be available.

Availability of funds can be delayed for any reasonable amount of time, generally not more than six business days, if

- We reasonably believe a check you deposit will not be paid.
- You deposited more than $6,725 worth of checks in one day.
- You redeposit a check that has been returned unpaid.
- There is an emergency, such as failure of communications or computer equipment.

Special Rules for New Accounts

If you are a new member, the following special rules will apply during the first thirty (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 $6,725 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 $6,725 will be available on the ninth (9th) 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 $6,725 will not be available until the second (2nd) business day after the day of your deposit.

Funds from all other check deposits will be available on the eleventh (11th) business day after the day of your deposit.

Remote Deposit Capture

Funds from items submitted for deposit via our Remote Deposit Capture may be held until final collection from the paying financial institution.

Location of Check Endorsements

Federal law requires all check endorsements to be in the first 1- 1/2 inches of the trailing edge on the back of the check. The trailing edge is opposite the left side of the face of the check, the side of the check just behind the address of the financial institution and the account holder. You will be responsible for any costs incurred by the Credit Union due to delays in returning checks deposited into your account that do not comply with the endorsement standards.

WIRE TRANSFERS

Applicable Law

The Credit Union can process wire transfers from your Business Accounts and will carry out your written instructions. The Credit Union can also receive wire transfers for you. Wire transfers are subject to California law, Federal Reserve Regulation J, and Article 4A of the Uniform Commercial Code.

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

The Credit Union will not be liable for damages to you or a third party, if we carry out the written wire transfer instructions that we receive in a reasonable manner. If a specific account type is not indicated, wired funds that we receive are posted to your Business Checking Account, or to your Business Savings Account if you do not have a Business Checking Account. It is your responsibility to verify that expected funds are posted to the correct account.

The Credit Union can rely on any account or routing numbers furnished by you as a sender, or any numbers transmitted with a wire transfer from another financial institution to you. We have no obligation to correct erroneous spellings of names or erroneous account numbers in sending or receiving wire transfer proceeds, or to confirm that names and account numbers on recipient accounts match. We can rely solely on numbers. If we do have actual knowledge that a name and account number do not match, we can refuse to send an outgoing wire or post an incoming wire, or we can process the wire relying solely on the account number and will have no liability for doing so.

Any efforts the Credit Union makes to supply or correct names, account numbers, routing numbers or other information in sending or receiving wire transfers for you are made as an accommodation to you only, and you agree to defend, indemnify and hold us harmless from any claims, damages or liability resulting from our efforts.

The Credit Union will not be liable for indirect, consequential or punitive damages if a loss is sustained because we have failed to carry out instructions in a reasonable manner, even if we are advised that such damage may occur. Our maximum liability will be the amount of the wire transfer.

Except as otherwise provided by applicable state or federal laws or regulations, our liability for any negligent or intentional action or inaction in connection with any funds transfer request shall be limited to your direct loss and payment of interest. UNDER NO CIRCUMSTANCES SHALL WE BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, PUNITIVE OR SPECIAL DAMAGES WHICH YOU MAY SUFFER IN CONNECTION WITH ANY FUNDS TRANSFER REQUEST.

Security Procedures

In sending wire transfers for you, we will follow security procedures. If you make your request in person, we may require photo identification. If you make your request over the phone, we will ask for information to verify your identity and authorization and may call you back at your telephone number in our records to confirm the request. At our option, we may decline to send a wire on your behalf unless an Authorized Person requests the wire in person at a Valley First branch. We will, however, have no liability to you for allowing you to send a wire by telephone request as long as we follow security procedures. You agree that these security procedures are reasonable.

All wire transfers are subject to screening and will be blocked or prohibited if required by applicable law.

Unless we tell you otherwise, our cut off time for wire transfers is 12:30 PM Pacific Standard Time on a business day. Payment orders, cancellations, or amendments received after the applicable cutoff time may be treated as having been received on the next funds transfer business day and processed accordingly.

If you initiate an outgoing wire to a recipient outside the United States, special terms applicable to the transfer will be disclosed to you at the time.

ELECTRONIC FUNDS TRANSFERS

Introduction

Electronic Funds Transfers (EFTs) are payments to or withdrawals from your account that are initiated electronically. The Credit Union offers the following EFTs on business accounts: VISA® Debit Cards (if a Business Checking Account is established), Audio Response, Remote Banking (including Bill Payer and Mobile Banking), and ACH transfers (including electronically converted checks).

Electronic payment systems and devices may not be used for illegal purposes such as illegal online gambling. Attempted illegal transactions may be blocked, although you and not we are responsible for determining the legality of purposes for which authorized electronic payments are initiated. The actual or alleged illegality of an authorized EFTs will not be a defense to your obligation to pay amounts by which you become indebted to us as a result of the EFT.

The Credit Union provides EFT services “as-is” and disclaims to the full extent allowed by law any liability or warranty in connection therewith, including but not limited to any implied warranty of fitness for a particular purpose. We cannot and do not warrant that electronic funds transfer services will be uninterrupted or error-free. Our liability to you with respect to EFTs will be limited to correcting errors resulting from our negligence or failure to accurately follow your correct and timely instructions whether such instructions are submitted in writing or electronically. Although we follow industry-standard security protocols for our Remote Banking services, the Credit Union cannot and does not warrant the security of information transmitted over the internet.

You are solely responsible for, and the Credit Union expressly disclaims, any responsibility or liability for equipment, hardware, software, and service providers such as wireless telephone carriers and internet service providers you use to access EFTs. You confirm your understanding that your use of EFT services may result in charges from those third-party service providers.

Fees

Fees for EFTs are shown in the current version of the Business Account Schedule. Fees that merchants and other financial institutions charge for EFTs are subject to notice or agreement between you and such merchants or institutions.

Access Devices and Access Credentials

At the Account Administrator’s request, we will issue one or more VISA® Debit Cards and PINs which your Authorized Persons can use to access your Business Checking Account. A Debit Card may be called an “Access Device.” The Account Owner may request different Debit Card transaction limits for different Authorized Persons or may request that all Authorized Persons have the same Debit Card transaction limits. The name of the individual Authorized Person to whom each Debit Card is issued will be embossed on the Card along with the Business name. The Authorized Person will need to enter the PIN associated with the Debit Card for all Debit Card transactions except merchant signature transactions.

At the Account Administrator’s request, we will issue an Access Credential for Audio Response Telephone Banking. The Audio Response Access Credential will be a passcode only.

At the Account Administrator’s request, we will issue one or more sets of Access Credentials which your Authorized Persons will be able to use Remote Banking. Each Authorized Person will receive unique Access Credentials. The Account Administrator may request different Remote Banking transaction limits for different Authorized Persons or may request that all Authorized Persons have the same Remote Banking access limits. Remote Banking Access Credentials will consist of a username and passcode. We may at our option require Authorized Persons to whom Access Credentials are issued to

set up a series of challenge questions and responses or follow a dual-factor authentication procedure such as the sending of a text message to a mobile device (wireless carrier fees may apply).

Initial Debit Card PINs and Audio Response and Remote Banking passcodes are randomly generated. We do not keep records of them. Authorized Persons may change their Debit Card PINs and Access Credentials by visiting any Credit Union office. Authorized Persons may also change their Remote Banking passcodes using a computer by following the procedure within the Credit Union's secure Online Banking platform.

The Business is responsible for the security of all Debit Cards, PINs, and Access Credentials issued to Authorized Persons and monitoring the transaction activity of Authorized Persons. We are entitled to assume that any transaction initiated using Access Credentials issued to an Authorized Person or using a Debit Card with a PIN is authorized by the Business, except for Debit Card signature transactions, responsibility for which is set forth below.

Do not give a Debit Card to any person or give your Debit Card number or Access Credentials to any person unless you want that person to be able to conduct all transactions on your Accounts. Any person to whom any Authorized Person voluntarily gives a Debit Card or Access Credentials is considered authorized to conduct all transactions on your Accounts that you could conduct yourself, even if they exceed the scope of permission you give them to use your Accounts.

Except for merchant signature transactions, EFTs will not be processed if your PIN or Access Credentials are not entered correctly.

Liability for Unauthorized EFTs

You will generally be liable for all unauthorized EFT activity on your Business Accounts unless the unauthorized use is the result of the Credit Union's negligence or misconduct. Your failure to maintain the security of your Debit Card or Access Credentials or failure to adequately supervise your Authorized Persons may result in your losing all of the money in your Business Accounts, plus the limit of any line of credit linked to your Checking Account for overdraft protection. You can use Remote Banking or Audio Response to monitor activity on your Business Accounts. These services are generally available 24 hours a day, seven days a week. If you detect unauthorized activity on your Business Accounts, you learn that an access device is lost or stolen, or you believe that an unauthorized person may be able to conduct unauthorized EFT activity on your Accounts, notify us immediately by calling 800.348.6253 or visiting any credit Union office during business hours, and we will deactivate EFT access to your Business Accounts. It may take up to 72 hours for us to deactivate EFT services if you notify us outside business hours.
VISA®'s "Zero Liability" rule applies to your Valley First business debit cards. To benefit from this protection, you must report unauthorized card use immediately. Zero Liability does not apply to PIN-based transactions, ATM transactions, or transactions not processed by VISA®.

We will be responsible for unauthorized EFTs on your Business Accounts only (a) consistent with VISA®'s Zero Liability rule, (b) if we fail to enforce an access or transaction limit to which we have agreed in writing on a Debit Card or Access Credentials, or (c) the unauthorized EFT results from our negligence or misconduct. You are solely responsible for overseeing the use and dissemination of EFT Access Devices and Access Credentials by your Authorized Persons. Any person to whom an Authorized Person voluntarily gives or negligently makes available an Access Device or Access Credentials is considered authorized by you to conduct all EFT activity that the Authorized Person associated with the Access Device or Access Credentials could conduct.

Availability of Funds to Cover Transactions

All transactions are subject to the availability of funds in the accounts you designate for EFT transactions. Overdraft protection, if you have requested and been approved for it, is available only on Checking Accounts. If a hold has been placed on deposits made to an Account from which you wish to transfer or withdraw funds, or if a merchant has placed a hold on funds in your accounts, you cannot transfer or withdraw the funds until the hold expires.

Nonetheless, situations may arise in which you are permitted to make EFT transfers or withdrawals that you do not have available funds or overdraft protection to cover. We will not incur any liability to you for permitting such transactions, and you will be responsible for restoring any resulting negative account balances.

Availability of EFT Services

EFTs services are generally available for your use seven (7) days a week, 24 hours a day. However, please understand that Remote Banking, ATM machines, Audio Response and other EFT service systems must periodically be shut down for routine maintenance, inspection, or repair. Emergency circumstances may result in extended delays in availability of EFT services.

Termination of EFT Services

You can terminate EFT services any time by sending the Credit Union a written request.

The Credit Union can terminate your EFT services for any lawful reason, with or without notice to you. Examples of reasons the Credit Union may terminate EFT services include but are not limited to (a) your failure to meet your obligations to the Credit Union; (b) your bankruptcy; (c) the Credit Union's receipt of notice that the security of a Debit Card or Access Credentials has been compromised; (d) emergency conditions; or (e) termination becoming necessary to avoid compromising the security of Credit Union systems.
Any Debit Card the Credit Union issues remains our property and must be surrendered to us upon demand.

The Credit Union will not be held liable for failure to complete your EFTs:

1. *If, through no fault of the Credit Union, you do not have available funds or overdraft protection to complete the transfer.*
2. *If your account is closed or your account is "frozen" because of a court order or some similar legal action.*
3. *If you are in breach of any agreement you have with the Credit Union.*
4. *If we have reason to believe the transaction in question may be unlawful.*
5. *If you, or an Authorized Person, or anyone you allow to use your EFT devices, commits any fraud or violates any law or regulation.*
6. *If the ATM, merchant terminal, Audio Response System, or Remote Banking system is not working properly and you are aware of the breakdown when you start the transaction.*
7. *If the ATM you are using does not have enough cash to complete the transaction.*
8. *If circumstances beyond the Credit Union's control (such as fire, flood, telephone line disruption, computer*

breakdown) prevent the transfer.

In no event will the Credit Union be liable for consequential, indirect or punitive costs or damages resulting from our failure to complete your transactions.

The Credit Union will carry out instructions we receive via EFT systems as long as the person providing the instructions presents the Card and/or Access Credentials. We will not incur liability for doing so in a reasonable manner. You agree to defend, indemnify and hold the Credit Union harmless from all costs, claims, damages, or liability that we sustain as a result of following your instructions, as long as there is no gross negligence or intentional misconduct on our part.

Debit Card

Card Use: Authorized Persons can use a Debit Card, up to the transaction limits set for them by the Account Owner:

1. With the PIN in merchant POS terminals on networks in which we participate to pay for goods or services. Some merchants may allow you to receive cash back. Any merchant fees associated with Debit Card use will be deducted from your Business Checking Account along with the purchase amount.
2. With the PIN at ATMs on networks in which we participate to withdraw cash and transfer funds between the Business's Valley First Accounts. Authorized Persons can also use a Debit Card to make deposits to the Business's Credit Union accounts at ATMs we own or operate and at deposit-taking ATMs on networks in which we participate. Operators of ATMs we do not own or operate on some networks may charge fees associated with Debit Card use. Any ATM operator fees associated with Debit Card use will be deducted from the Business Checking Account along with the transaction amount.
3. For signature transactions at merchants and financial institutions that honor Debit Cards. Any merchant fees associated with Debit Card use will be deducted from the Business Checking Account along with the transaction amount.

Authorized Persons initiating in-person Debit Card transactions will generally get a receipt unless the transaction falls below any minimum amount established by VISA® operating rules for providing receipts, they elect not to get a receipt, or they are notified in advance that receipts are unavailable. Receipts should be retained to verify monthly account statements. If no receipt is provided for a transaction, the only documentation may be the monthly statement.

Checking Terms Applicable to Debit Card Use: Merchant POS and signature transactions using the Debit Card will generally be treated as if you had written a check and will be governed by the terms of the Checking Account agreement. Please be aware:

1. We can deduct Checking Account debit transactions in any order we determine consistent with applicable law. If you do not have sufficient funds or overdraft protection to cover all transactions, we may honor checks but not Debit Card transactions, or vice versa.
2. We cannot honor stop payment requests on Debit Card transactions.

Your rights to dispute Debit Card merchant transactions are limited to those provided to business cardholders by VISA® Card operating rules, if any.

Conflicting Terms: Although other documents you may receive when you initiate transactions with your Debit Card, such as sales receipts, may have contract terms printed on them, your Debit Card agreement with the Credit Union is limited to the terms in this Agreement plus your Business Checking Account Agreement and any overdraft protection agreement applicable to your Business Checking Account.

Foreign Debit Card Transactions: Debit Card withdrawals, purchases, and cash advances processed by the merchant or financial institution in foreign countries or in foreign currencies (other than U.S. military bases, U.S. embassies, or U.S. consular facilities) will be billed to you in U.S. dollars. For remote transactions, the Authorized Person is responsible for determining whether the transaction will be processed in the U.S. or outside the U.S. The currency conversion rate for international transactions is a rate selected by our card network from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate the card network itself receives or the government-mandated rate in effect for the applicable central processing date. In addition, we may charge you a Foreign Transaction Fee shown on the Business Account Schedule in U.S. dollars for all Debit Card transactions processed by the merchant or financial institution in a foreign currency or in a foreign country, whether the transaction is processed in a foreign currency or U.S. Dollars.

Merchant Credits: Merchants and others who honor the Visa® Debit Card may give credit for returns or adjustments. When we receive credit from the merchant or other entity, we will credit your Business Checking Account for that amount.

Merchant Transaction Account Holds: Please be aware that in some cases, there may be duplicate holds on your Business Checking Account for Debit Card transactions. For example, a restaurant may obtain an authorization for a meal you purchased before you add the tip, then put a second charge through after you have added the tip. You will not ultimately be double-charged, but until the final transaction clears, both authorizations may be on your Account, and your available balance reduced accordingly. We generally cannot remove these authorizations without written assurance from the merchant that a specific authorized transaction will not be posted.

Unlawful Transactions Prohibited: You agree that you and your Authorized Persons will not use or permit others to use your Debit Card for any illegal transactions, such as unlawful online gambling. If you or any Authorized Person use or permit use of your Visa® Debit Card for a purpose that is inconsistent with the terms of this agreement, you cannot claim that the purpose of the use is a defense to your obligation to pay the amount of the transaction.

ATM Safety:

Ensure that Authorized Persons to whom Debit Cards are issued are aware of the following suggestions for safe ATM use:

1. Be aware of the surroundings, particularly at night.
2. Consider having someone accompany the person using an ATM after dark.
3. Put cash away as soon as the transaction is complete. Do not display it. Count cash later in the safety of a vehicle, home or office.
4. Do not use any ATM where suspicious activity appears to be occurring. Come back later or use another ATM.

5. If, while transacting business at the ATM, anything suspicious occurs, cancel the transaction by pushing the "cancel" button on the ATM, put the Debit Card away, and leave immediately.
6. Immediately report all crimes involving Valley First ATM activity to us and to local law enforcement officials.
7. Do not leave receipts at the ATM.

We may arrange for the availability of ATMs at various locations with access during non-business hours for the convenience of our members. However, ATM sites are not subject to our control. You assume the risk of using them, since we do not in any way warrant the security or safety of any location. We are not responsible for wrongful acts committed by anyone who is not an authorized agent or employee of the Credit Union regarding your use of ATMs

"Valleyline" Audio Response

You may use your Valleyline Service to perform the following transactions:

- Obtain account balances
- Learn if specific checks have cleared
- Request a check withdrawal from your business Savings or Business Checking account
- Transfer funds between your Business Savings or Business Checking accounts
- Activate or cancel Debit Cards

Online Banking

System Requirements

To use Online Banking, you must have a computer, modem, Internet Services, borrower, your account number and a Login ID and Password.

Available Services

Using a computer with Internet access and Access Credentials, you can

- Review up to 24 months of Business Account transaction history
- Check the Business's account balances
- Transfer funds among the Business's Valley First accounts
- With the necessary account information, transfer funds to any Valley First Credit Union account
- With the necessary account information, transfer funds on a one-time or recurring basis to accounts you or third parties maintain outside Valley First, such as to banks or brokerage firms
- Download transaction information to financial management software from Business Checking and Business Savings accounts
- Use the Bill Payer feature pay bills automatically without writing checks. You can either automatically pay a set amount to a creditor on a specific day each month or set up a payment account for a creditor but manually set the date and amount of each payment. You can change or cancel any payment that has not started processing. You may be required to give us any change or cancellation instructions at least four business days before the payment is scheduled to be received by the payee.
- Initiate person-to-person payments to persons for whom you have an email address or mobile telephone number.

The following limitations to the use of Online Banking Service (Bill Pay by Check):

- The maximum you or the authorized signor may withdraw by check is $2,500 per check up to $10,000 per day with a minimum check withdrawal of $10.00 during any 24-hour period.

Additional Bill Payer Information*:*

When you use Bill Payer, follow the instructions provided when you log into the platform. Be sure you input accurate information about your payees and accounts. All Bill Payer payments are deducted from your Business Checking account. Bill Payer payments will be made by ACH transfer if the payee accepts ACH payments, or by check. See below for more information about ACH transfers. ACH payments usually reach the payee two business days after the scheduled payment date but may take up to four business days. Check payments usually take five to seven days after the date you schedule your payment for it to reach the payee but may take up to ten days. You are responsible for allowing sufficient time for your Bill Pay payments to reach your payees and for having sufficient available funds or overdraft protection on the date your payment will be sent. We are not responsible for late payment fees unless your late payment is solely the result of our failure to follow your timely and accurate instructions. If, for example, you input an incorrect address for your payee, the payee may not receive the payment on time or at all, and we will not be responsible for the misdirected payment.

Available Transactions You may use the Bill Pay service to perform the following transactions and activities:

- Add, edit information about, or delete merchants from your schedule of parties to whom you send payments using Bill Pay.
- Make one-time payment from your Business Checking account to merchants.
- Set up recurring payments from your Business Checking account to merchants.
- View your Bill Pay payment history over a specified time period.

The following limits apply to of the Bill Pay service:

- You can pay no more than $2,500 during any (24- hour period
- Bill payments can only be made from your Business Checking account
- Payments cannot be made for tax payments, court-ordered payments or payments to payees outside of the United States
- If you close the designated Business Checking Account, all scheduled payments will be stopped
- You cannot stop a payment if the payment has already been processed
- You can schedule payment twenty-four (24) hours a day, seven (7) days a week, however, payment scheduled on a Saturday, Sunday or holiday will be processed within one (1) to two (2) business days

Notify us in writing if you wish to cancel Bill Pay.

Preauthorized (ACH) Transfers

You can preauthorize the Credit Union to make direct deposits into (ACH credits) or automatic payments out of (ACH debits) your accounts automatically. Preauthorized ACH debits must be authorized in writing.

Preauthorized transfers are handled through the ACH (Automated Clearing House) system. They are subject to California law, the rules of the National Automated

Clearinghouse Association (NACHA), local ACH rules, Article 4A of the Uniform Commercial Code, Federal Reserve Bank Operating Circulars, and federal regulations.

We reserve the right to reverse erroneous ACH deposits to your Accounts without advance notice to you, although your statement and account history (available through Audio Response or Remote Banking) will reflect such reversals.
If a reversal of an erroneous deposit or a deduction of a credit on which we do not receive final settlement results in a negative balance in your Account, you will be indebted to us and our Right of Offset and right to recover Collection Costs will apply.

If an ACH payment is reversed, the party making the payment will be deemed not to have made, and the party receiving the payment will be deemed not to have received, the payment.

You can call the Credit Union at 1(877) 549-4567 or review your account through online banking to find out if we have received or sent ACH transfers. If payments out of your account will vary, the payee is required to give you advance notice, unless you agree that you will receive notice only if payments vary by more than a specified amount.

Right to Stop Payment of Preauthorized Transfers and Right to Receive Notice of Varying Amounts

- If you have told us in advance to make regular payments out of your account, you can also stop any of these payments. Here's how: Call us at 1(877) 549-4567, or write to us at P.O. Box 1411, Modesto, CA 95353-1411 in time for us to receive your request (3) 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 fourteen (14) days after you call.
- If regular payments vary in amount, the person you are going to pay will tell you ten (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 differs by more than a certain amount from the previous payment, or when the amount falls outside the limits that have been set.

Payees of your checks, such as merchants, may convert checks you write to electronic payments. Payees of your checks may also re-present dishonored checks through the ACH system.

Mobile Banking

Services
The Mobile Banking service allows you to access your Business account information through your mobile device. You may access the Mobile banking service by mobile Web browser and/or Mobile Banking application. The Mobile Banking service also allows you to request and receive account information and notification via text message.

System Requirements
To use the Mobile Banking service, you must have a mobile device with a service plan that include data, text messaging and Internet access with Secure Socket Layer (SSL) capability and an Online/Mobile Banking service Login ID and Password. Third party fees may apply for data, text messaging and Internet access. Contact your mobile device carrier for additional information.

- To access the Mobile Banking service using the Mobile Web Banking option, visit **www.valleyfirstcu.org** on your mobile Web browser.
- To access the Mobile Banking service using the application option, download the Valley First Credit Union Mobile Application from your device's application store. Search "Valley First Credit Union" on the App Store or "Valley First CU" on Google Play. The Operating System version must be compatible with the latest version of the application, as determined by your device's application store.
- To use the Text Banking option, you must be enrolled in Online/Mobile Banking. While logged into the Online/Mobile Banking service, activate the Text Banking feature by selecting: "Preferences," then "text Enrollment." Turn "Text Enrollment" to "on" and then add your mobile number. You must accept the terms and conditions before you can save and activate Text Banking.

Available Transactions
You may use the Mobile Banking service to perform the following transactions:

- Obtain account balance information
- Learn if specific checks have cleared
- Request check withdrawals from your Business Checking and Business Savings accounts
- Transfer funds between your Business Checking and Business Savings accounts
- Pay bills through Bill Pay
- Activate your Debit Card through the Debit Card Activation phone line
- Make a single transfer to a Valley First member or link to another member's account to set up recurring transfers
- Link your account from another financial institution for electronic transfers
- Send a Secure Message to the Credit Union regarding any account concerns

REMOTE DEPOSIT CAPTURE AND MOBILE DEPOSIT SERVICES

If you are approved, you can use our remote deposit capture service to electronically deposit checks to your business accounts. Remote deposit capture will be subject to the terms of the enrollment agreement you accept when you enroll in the service including but not limited to requirements for equipment, endorsement, and check image quality. We reserve the right to hold availability of funds from items submitted for deposit via the service until final collection from the paying institution, though we may make funds available earlier as an accommodation to you based on your deposit and credit history with us.

Restrictive Endorsement Required:
If you deposit a paper check remotely using the Mobile Deposit Service available from your mobile device, you must sign the back of the check in the endorsement space and add the following under the endorsement signature(s): "FOR MOBILE DEPOSIT TO VALLEY FIRST CREDIT UNION."
The Credit Union reserves the right to refuse to accept any check for deposit through the Mobile Deposit service that does not bear this restrictive endorsement.

You agree to scan and deposit only "checks," which include:

- Items that contain the above-described restrictive endorsement
- A negotiable demand draft drawn on or payable through or

at an office of a bank
- A negotiable demand draft drawn on a Federal Reserve Bank, a Federal Home Loan Bank, or the Treasury of the United States
- A state government or unit of general local government that is not payable through or at a bank
- A U.S.P.S. money order or
- A traveler's check drawn on or payable through or at a bank

When the image of the check transmitted to Valley First Credit Union is converted to an Image Replacement Document for subsequent presentment and collection, it shall thereafter be deemed an "item" with the meaning of, and subject to, Divisions 3 and 4 of the California Commercial Code.

Processing Electronic Images

We will review each Electronic Image received to determine whether it is eligible for processing. If eligible, we will: (a) present the Electronic Image directly or indirectly to the bank on which the original check is drawn or through which the original check is payable ("Paying Bank"); (b) create a substitute check that we will present directly or indirectly to the Paying Bank; or (c) if we are the Paying Bank, present or post the Electronic Image. If we determine for any reason that the Electronic Image is illegible, incomplete, or otherwise ineligible for processing, we will require you to present the original item for deposit. It is your responsibility to retain the original item for a reasonable period of time to ensure that it is properly credited to your account. The Credit Union is not responsible for errors in Electronic Images that may prevent or delay the deposit of funds into your account. The Credit Union is not responsible for any image that we do not receive for any reason, including transmission interruptions.
All deposits are subject to verification by us. We may return or refuse to accept all or any part of a deposit to your Account using the Mobile Deposit service at any time and will not be liable for doing so even if such action causes checks or other debits to your Account to be dishonored and returned. You are solely responsible for paying any overdrawn or insufficient funds (NSF) fee charged by the Credit Union or any third party as a result of the Credit Union's rejection of any item(s), or for any item(s) returned unpaid.

We reserve the right to impose limits on the amount(s) and/or number of deposits that you transmit using the Mobile Deposit service and to modify such limits from time to time.

The following are check items not accepted for deposit through the Mobile Deposit service:

- Checks made payable to any person or entity other than the person or entity who owns the account in which the check is being deposited (third-party checks).
- Checks containing an alteration on the front of the check or item, or which you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check is drawn.
- Checks payable jointly, unless deposited into an account in the name of all payees
- Checks previously converted to a substitute check
- Checks drawn on a financial institution located outside the United States.
- Checks that are remotely created checks
- Checks not payable in United States currency.
- Checks dated more than six (6) months prior to the date of deposit.
- Checks or items prohibited by Valley First's current procedures relating to the services or are otherwise not acceptable under the terms of your Credit Union account.
- Checks payable on sight or payable through drafts
- Checks with any endorsement on the back other than what is specified in this agreement.
- Checks that have previously been submitted through the Services or through a remote deposit service offered at any other financial institution.
- Checks that are in violation of any federal or state law, rule, or regulation.

You agree to follow any and all other procedures and instructions for use of the Mobile Deposit service as the Credit Union may establish from time to time.

Member Warranties and Indemnification

By using the Mobile Deposit service, you represent and warrant all of the following to be true:

- The item transmitted is a complete, accurate and unaltered item payable to you, that originated as a paper item, and that you are legally entitled to negotiate it.
- The original check has not and will not be: (i) deposited; (ii) endorsed to a third party; or (iii) otherwise negotiated or submitted for payment, after transmitting the digital image through the Mobile Deposit service.
- No other duplicate images of the original check have been made.
- The electronic image of the check, or any substitute check as defined by federal law, will become the representation of the check for all purposes (except funds availability) including return item processing.
- Any files and images transmitted to the Credit Union will not contain any viruses or any other disabling features that may have an adverse impact on the Credit Union's network, data, or related system.
- You will not attempt to deposit or otherwise negotiate any original check that you have previously presented to us as an Electronic Image through the Mobile Deposit service. You will not attempt to present a duplicate Electronic Image.

You agree to indemnify, defend and hold the Credit Union, its directors, officers, employees, and agents harmless for any losses, liabilities, damages, claims, costs, or expenses (including reasonable fees) arising from its reliance on these representations and warranties, as well as any of the following:

- Any negligent or intentional act or omission by you in the performance of your obligations under this Agreement.
- Calculation or data entry errors made by you.
- Any material breach of this Agreement or violation of any applicable law, statute, or regulation in the performance of your obligations.
- Your failure to securely maintain your hardware, your security credentials, or to securely maintain or dispose of any original check.

This indemnification will be effective regardless of whether the check accepted for deposit by the Credit Union contained a restrictive endorsement.

This section shall survive the termination of the Mobile Deposit service.

Service and Maintenance

We may periodically audit the Mobile Deposit service and infrastructure. From time to time, the Credit Union may disable

the Mobile Deposit service without prior notice for scheduled maintenance and upgrades to the system. In the event the Mobile Deposit service is unavailable, you may deposit the original item in person at a Credit Union branch location during regular business hours, at a Credit Union ATM, or by mailing the item to us at PO Box 1411, Modesto, CA 95353.

Our Right to Audit
We may periodically audit your individual transactions and use of the Mobile Deposit service to verify your compliance with this Agreement. You agree to cooperate with any such audit and to provide, at your expense, such information or documents as we may reasonably request.

Termination
You may terminate your use of Mobile Deposit at any time. The Credit Union reserves the right to terminate your use of Mobile Deposit at any time, with or without notice, and with or without cause.

GENERAL BUSINESS MEMBERSHIP AGREEMENTS

Arbitration of Disputes
We encourage you to contact us with any questions or concerns about the services your Business receives from Valley First and attempt to resolve any disputes informally.

In consideration for and as a condition of Valley First establishing membership for your Business, you agree that any disputes you have with Valley First that you cannot resolve informally will be submitted to binding nonjudicial arbitration before an Arbitration Administrator. YOU UNDERSTAND THAT YOU ARE WAIVING THE RIGHT TO HAVE YOUR DISPUTE HEARD BY A COURT AND DECIDED BY A JUDGE OR JURY.

The Arbitration Administrator will be the office of Judicial Arbitration and Mediation Services (JAMS) or the American Arbitration Association (AAA) in or nearest to Stanislaus County, California. The party initiating the arbitration will select the Arbitration Administrator. The fees of the Arbitration Administrator will initially be borne equally by the parties. The arbitration will be conducted by a single arbitrator knowledgeable in the subject area(s) of the dispute. If you and we cannot agree on the selection of an arbitrator, each party will select one qualified arbitrator from the Arbitration Administrator's panel and those two will designate a qualified arbitrator to conduct the arbitration. The arbitration will be conducted under the Commercial Arbitration Rules of the Arbitration Administrator. The arbitrator will make reasonable discovery available to the parties. Unless unreasonable given the nature of the dispute or the behavior of the parties, the arbitrator will attempt to issue a decision within six months after submission of the dispute. The arbitrator will issue a written statement of decision and shall award the prevailing party, if one is determined, its reasonable attorney's fees and arbitration costs in addition to any other remedy the arbitrator deems proper. The arbitrator's decision will be final, binding, and not subject to appeal except as set for the in the Federal Arbitration Act and may be entered as a judgment in any court of competent jurisdiction.

Notwithstanding the foregoing, we may file any action to collect an amount by which you are indebted to us in any state or federal court of competent jurisdiction. Neither party is required to submit to arbitration any action where the amount in dispute is within the jurisdictional limits of the Small Claims Court. Either party may pursue injunctive relief in any court of competent jurisdiction and recover its reasonable attorneys' fees and costs of suit in addition to any other remedy the court finds proper.

Consent to Contact (Non-Telemarketing Only)
By giving Valley First Credit Union or any third party acting on behalf of Valley First Credit Union (each a Credit Union Party and collectively Credit Union Parties) any telephone number, regardless of the type of telephone associated with the number, of the Business or any Authorized Person (see "Account Access" above), you authorize any Credit Union Party to call that number, send text messages to that number, and leave messages on any answering system associated with that number, including calls made by automated dialing device, pre-recorded voice calls, and text messages. By giving any Credit Union Party a telephone number, you warrant that you are the subscriber of that number or have the permission of the subscriber of that number to authorize Credit Union Parties to contact you at that number. You confirm your understanding that attempts to reach you at any phone number you provide to a Credit Union Party could result in charges from your carrier and that you are solely responsible for any such charges. You agree to defend, indemnify, and hold the Credit Union and any Credit Union Parties harmless from any claims that we attempted to reach you at a number where we did not have permission to contact you, unless you have notified a Credit Union Party that permission to call that number is revoked and we have had reasonable time to act on your notice. All Business members must provide the Credit Union with at least one telephone number at which an Authorized Person can be reached during business hours. Natural person Authorized Persons can revoke consent for Credit Union Parties to use automated communications to contact you for non-emergency purposes on wireless numbers. Natural person Authorized Persons can also revoke consent to live representative calls to wireless numbers for marketing purposes. Consent may be revoked in person at a Credit Union office, in writing (by letter or email), by telephone or by any other reasonable means that informs the Credit Union Party that consent is revoked. Notice must provide sufficient information to enable the Credit Union to implement the revocation, including the name, the account number(s) to which the revocation applies, and the wireless number(s) to which the revocation applies. Your revocation will not prohibit Credit Union Parties from either (1) contacting you using live representatives or automated communications (a) on a landline number for any purpose other than telemarketing and (b) on a wireless number for purposes of notifying you of emergencies, fraud, identity theft, or data breach, or (2) contacting you on a wireless number using live representatives to administer, service and collect amounts owed on your Credit Union accounts.

Membership Is Non-transferable
Membership in Valley First cannot be transferred to any other person or entity.

Meeting Your Obligations
Valley First Credit Union is a member-owned cooperative. Our ability to provide competitive account and credit products to our members depends on all of our members meeting their obligations to the Credit Union in a timely manner.

The Business is obligated with any individual who personally guarantees the obligations of the Business to meet the terms of this Handbook.
The Business and any individual who personally guarantees the obligations of the Business is obligated to repay any obligations to the Credit Union resulting from the use of Business services by any person with the permission of an Authorized Person, whether or not the person using the service stays within the scope of permission given to use the service.

The Business and any individuals who personally guarantees the Business's obligations to the Credit Union remain bound to pay for any obligations incurred to the Credit Union by the Business even though another person or entity has been directed to pay the debt by an agreement or court order to which the Credit Union is not a party, such as a proceeding to dissolve the business or a divorce. No release from obligations to the Credit Union will be valid unless (a) in writing and signed by an authorized agent of the Credit Union or (b) pursuant to a court order in an action to which the Credit Union is a party.

We can, consistent with applicable state and federal fair credit reporting and equal credit opportunity laws applicable to businesses and individual guarantors of business obligations, obtain information about the way you handle your accounts and loans and report our experience with you to others. We can check your credit or account history if you request credit or an account and as part of our periodic review of open credit accounts and share accounts. If you fail to meet your obligations to the Credit Union, we can report negative information about you to consumer reporting agencies such as ChexSystems, which may adversely affect your account or credit standing.

Suspension of Services

If you are delinquent on a payment obligation (other than an obligation to restore a negative checking account balance), we can require you to obtain permission from a loan officer before we allow you to withdraw funds from an account if doing so would cause your balance to fall below the amount by which your obligation is delinquent. Your access to your Valley First accounts will be restored when you bring your delinquent payment obligation current. You agree that if you fail to meet your financial obligations to Valley First, for example by failing to pay your Valley First loans as agreed or failing to restore negative account balances on demand, Valley First can immediately suspend access to any Valley First line of credit you have. Lines of credit include credit cards, personal credit lines, and credit lines secured by real estate. Generally, Valley First will not suspend access to funds exempt from creditors' remedies, such as certain types of federal benefits or to accounts subject to special tax treatment such as Individual Retirement Accounts.

We reserve the right to deny all services, except the right to vote in Valley First Board elections and vote on other matters brought forth to the membership, or restrict your access to Valley First branches and/or Co-op Shared Branch℠ premises if appropriate, if any of the following occur:

1. You fail to meet your obligations to Valley First;
2. You fail to comply with applicable law or Valley First's Bylaws and rules as amended from time to time;
3. You are convicted of a crime in connection with your business with Valley First;
4. You are convicted of a crime of moral turpitude;
5. You cause Valley First an unrestored loss in any way (including, but not limited to, loan charge-off, unrestored overdrafts, or bankruptcy); or
6. You fail to conduct your business with Valley First (including at Co-op Shared Branch℠ locations) consistent with our Member Conduct Policy.

While we attempt to avoid making errors in determining your eligibility for membership, if we find that you gave us misleading information or that we made a mistake and admitted you to membership when you were not eligible, we will expel you and you will not be eligible for further Valley First services.

Termination of Membership (Expulsion)

We may terminate your membership in Valley First in one of three ways. The first way is through a special meeting. Under this option, we may call a special meeting of the members, provide you an opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting in favor of your expulsion. The second way to terminate your membership is under a nonparticipation policy given to each member that follows certain requirements. The third way to terminate your membership is by a two-thirds vote of a quorum of the directors of the credit union for cause.

Cause is defined as follows

1. substantial or repeated violation of the terms of this Handbook;
2. a substantial or repeated disruption, including dangerous or abusive behavior, to Valley First's operations; or
3. fraud, attempted fraud, or a conviction of other illegal conduct that a member has been convicted of in relation to Valley First, including in connection with our employees conducting business on our behalf.

Before the board votes on an expulsion, we must provide written notice to your mail address (or email, if applicable) on record or personally provide the written notice. We must provide the specific reasons for the expulsion and allow you an opportunity to rebut those reasons through a hearing if you choose. It is your responsibility to keep your contact information with us up to date, and to open and read notices from us. Unless we determine to allow otherwise, there is no right to an in-person hearing with the board. If you fail to request a hearing within 60 calendar days of receipt of the notice, you will be expelled. You may submit any complaints about your pending expulsion or expulsion to NCUA's Consumer Assistance Center if the complaint cannot be resolved with us. We will confirm any expulsion with a letter with information on the effect of the expulsion and how you can request reinstatement. Expulsion or withdrawal from membership does not relieve a member of liability to us, and we may demand immediate repayment of the money you owe to us after expulsion, subject to any applicable contract terms and conditions. For additional information on expulsion and a copy of our expulsion policy, see Article XIV of the Valley First Bylaws. For a copy of our expulsion policy, send a self-addressed, stamped envelope to:

Valley First Credit Union
Attn: Expulsion policy request
P.O. Box 1411
Modesto, CA 95353-1411

Nonparticipation in the affairs of the Credit Union means that you have not, for at least six months, obtained a loan from the Credit Union, maintained an account at the Credit Union, or voted in a Credit Union election. We will give you at least 30 days' advance notice before we terminate your membership due to nonparticipation.

Member Conduct Policy

You agree to conduct your business with Valley First and treat our staff, volunteer officials, and your fellow members in a civil and businesslike way. The following are prohibited:

1. Violence and threats of violence against Valley First staff, volunteers, or other members;
2. Abusive or harassing behavior of any kind against our staff, volunteers, or other members;
3. Abuse of Credit Union systems or property; and
4. Behavior that unreasonably disrupts the ability of our staff to provide prompt and attentive service to other members.

Visibly intoxicated persons and persons carrying weapons (other than on-duty law enforcement or Valley First security personnel) are not permitted on Valley First premises at any time. In addition, we may take any other lawful action we reasonably deem necessary under the circumstances to ensure our ability to provide a harassment-free environment for our staff and members and equitable access to service for our members. You agree to pay any attorney's fees and court costs we incur to enforce our Member Conduct Policy.

Changes to Handbook

You agree that we may change any of the terms listed in this Business Handbook and the Business Account Schedule applicable to your accounts at any time by mailing a notice to the last address you gave us or notifying you electronically if your Business has agreed to receive communications from us in that form. We will give you notice consistent with applicable legal requirements. By continuing to maintain the services to which the notice applies after the effective date of the change(s), you agree to the change(s).

Rather than updating this Business Handbook or the Business Account Schedule each time a change is made, we may disclose changes in terms by means of a Change in Terms Notice, with subsequent updating of the Business Handbook or Business Account Schedule.

Governing Law and Terms

This Business Handbook and the Business Account Schedule, as amended from time to time by our sending you a Change in Terms Notice or a new version of the Business Handbook or Business Account Schedule, govern your membership and Business Accounts with the Credit Union. The Credit Union's bylaws and policies, and applicable state and federal law, also govern your Credit Union Business Accounts. If any provision of the Business Handbook, Business Account Schedule or a Change in Terms Notice is found to be unenforceable, (a) the rest of the Business Handbook and Business Account Schedule will remain in effect, and (b) the unenforceable provision will, if possible while preserving its intent, be deemed amended to the extent necessary to render it enforceable.

Terms of your agreements with the Credit Union cannot be changed orally. Any change in terms will be effective only if pursuant to (a) a Change in Terms Notice or a new version of the Business Handbook or Business Account Schedule, (b) a writing signed by an authorized Credit Union employee, (c) a change in an applicable law or regulation, or (d) an order of a court of competent jurisdiction.

Use of the singular in this Business Handbook implies the plural if more than one person signs the Business Account Agreement.

Notices

Notices that we send to you will be considered received by you five days after we mail them to you at your address in our records if your address is in California or ten days after we mail them to you if your address is outside California. If the option is available and you elect to receive notices and contracts from us electronically, our sending you a notice at the email address we have for you in our records will be sufficient to bind you to any terms stated in the notice. You are responsible for telling us if you change your physical address, mailing address or email address. We may charge a Returned Mail Fee if you fail to keep us informed of your current address; refer to the Business Account Schedule. Notice to one Account Holder shall constitute notice to all persons authorized to have access to the account.

Our Responsibility for Following Your Instructions

Our payment of money in your Business Accounts consistent with the written instructions of any Authorized Person, subject to any transaction limits we have agreed to enforce, will excuse the Credit Union from any further legal obligation regarding the proceeds of the transaction. If a person is in possession of information or devices necessary to conduct transactions on your Business Accounts (such as a rubber stamp you use to sign checks, a VISA® Debit Card, or Remote Banking credentials), we are entitled to assume that such person is authorized to conduct business on your Business Accounts. You agree to defend, indemnify and hold the Credit Union harmless from any liability or suits that result directly or indirectly from our handling your accounts consistent with the written instructions of any person who has actual or apparent authority to conduct transactions on your Business Accounts.

We are entitled but not obligated to refuse to honor instructions if they are uncertain or if a signature appears not to be authentic or if the transaction otherwise appeared to be unauthorized. If this occurs, we will notify you.

We have the right to refuse to honor instructions if we reasonably believe doing so would cause us a loss.

We are not required to honor restrictive legends on checks you write or endorse unless we have expressly agreed in writing to do so.

We are entitled to request appropriate identifying documents or information prior to completing transactions.

We may at our option freeze your accounts if there are conflicting claims to the funds but will have no duty to do so. We have the right not to release a freeze until we receive either consistent instructions or a court order.

If we tell you that we are unable to implement instructions of yours, such as dual signature requirements or account access blocks, we will not be liable to you for failing to follow your instructions.

Certain illegal transactions may be blocked. Our payment systems (ACH, debit card, wire transfer, money transmitting) may as required or permitted by law block transactions believed to involve illegal internet gambling or other unlawful activity.

If a transaction involving a blocked person or entity is initiated in connection with your account, the transaction may be blocked or declined, and funds may be frozen, depending on requirements imposed on the Credit Union by applicable law.

Neither payment systems nor transaction monitoring services are foolproof. We will have no liability to you or any third party if we fail to block or decline a transaction.

Our Dealings with Third Parties

We will comply with valid legal process on your Business Accounts, such as levies, garnishments and subpoenas, and will not incur liability to you for doing so unless we are negligent.

We will honor the instructions of any court of competent jurisdiction with respect to your Business Accounts.

Our Right of Offset

If you owe us money, whether on a loan, because you have overdrawn an account, or for any other reason, and you fail to pay what you owe us consistent with your agreement with us or upon our lawful written demand for payment, we have the right under applicable law to take funds from any Credit Union account in which the Business or any personal guarantor of the business's obligations has an ownership interest (unless prohibited by law or the share agreement) to recover all or part of what you owe us. By joining the Credit Union or guaranteeing the Business's obligations, you expressly consent to our right to do this. If we do this, you agree that we are not electing a remedy or in any way waiving our rights to take other lawful action to collect any amount that you still owe us.

If we have given you cash for an item that you deposited that is returned unpaid, or if we cleared a check you wrote against a deposited item that was returned unpaid, we will deduct the amount of the unpaid item plus any applicable fees from the account in which you deposited the item. If there are no funds in that account, you agree that we can recover the amount of the item by deducting it from any other account in which you have an ownership interest. If we cannot recover the funds in that manner, you agree that our right to recover Collection Costs applies.

Collection Costs

If you breach your payment obligations to us, you agree to pay reasonable costs we incur before taking legal action to enforce our agreements with you. If we take legal action to collect what you owe us, you agree to pay our reasonable attorney's fees and costs of the legal action in addition to what you owe us. You will pay our attorney fees and costs whether the legal action we take is a collection lawsuit, a proceeding to protect our interests if you become a bankruptcy debtor, an appeal, a judicial or non-judicial foreclosure, or any other type of legal action.

Attorney's Fees

In any lawsuit or arbitration arising out of this Agreement, the prevailing party shall recover its reasonable attorney's fees and costs of suit.

California Consumer Privacy Act

Information that Valley First collects about California resident consumers associated with business accounts is subject to California Consumer Privacy Act ("CCPA"). Valley First will provide required disclosures at the point of collection of information about California consumers associated with business accounts and comply with the requirements of the CCPA as to those individuals.

Tax Reporting

We comply with the Internal Revenue Code, IRS regulations, and state law in reporting your earnings on dividend-bearing shares, your interest payments on certain types of loans, discharges of debt, and payment of miscellaneous income. Our compliance with IRS reporting requirements does not constitute tax advice.

Waiver and Modification

We can fail to exercise one or more rights we may have under this Handbook or any other agreement we have with you on one or more occasions without such failure being deemed a waiver of any right and without altering the terms of any agreement with you.

Subject to and consistent with any limits imposed by law, we can modify any of our agreements with you by giving notice required by law and allowing you an opportunity to avoid the changes by satisfying any outstanding obligation you have to us and discontinuing the related service. "Modify" may include changing existing terms, adding new terms, or deleting terms. Any modification of the terms of an obligation you have to us (such as the extension of a loan term) will be valid only if: (1) made pursuant to a written Credit Union change in terms notice, (2) made in writing and signed by an Authorized Credit Union Agent, or (3) made by a court order in an action to which we are a party.

No employee, official or other actual or apparent Agent of Valley First is authorized to change terms of your agreements with Valley First orally. We are not subject to court orders in actions to which we are not a party, such as divorce decrees.

Documents such as sales receipts that you receive from third parties when you initiate transactions using Valley First-issued devices (normally checks, credit cards, debit cards, or ATM cards) may have terms printed on them. Those printed terms will not affect your agreements with us.

Change-in-terms notices may appear in periodic statements or separate notices we send you, as long as the timing and format of such notices meet legal requirements.

HOW TO CONTACT US

Telephone: 1 (877) 549-4567
By Email: mbrserv@valleyfirstcu.org

DO NOT use email for urgent messages such as lost or stolen cards.

By Writing: Valley First Credit Union
PO Box 1411
Modesto, CA 95353-1411

WHAT TO TELL US IN CASE OF ERROR OR INQUIRY

- Your name
- Your account number
- The date of the questioned transaction
- Any transaction number associated with the transaction, such as a check number
- The dollar amount of the suspected error
- A description of the error or transaction you are not sure about
- Your explanation if you can provide one of why you believe there is an error

If you need more information about a transaction, ask us for clarification.

VALLEY FIRST FEDERAL CREDIT UNION
PO Box 1411 | Modesto CA 95353-1411
valleyfirstcu.org | (877) 549-4567

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