VALLEY FIRST FEDERAL CREDIT UNION
CONSUMER MEMBER HANDBOOK

Account Agreements and Disclosures

Effective April 20, 2026

Valley First™
CREDIT UNION

Account Agreements and Disclosures

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INTRODUCTION

This Consumer Member Handbook ("Handbook") is the agreement governing your membership in Valley First Federal Credit Union operating as Valley First Credit Union ("Valley First," "Credit Union," "we," or "us") and accounts you open and maintain with us for personal, family, or household purposes. It is supplemented by your applications for Membership and Accounts, the most recent version of Valley First's Fee Schedule, and the most recent version of the applicable Valley First Truth in Savings Disclosure. Refer to the sections of this Handbook governing membership and the types of Valley First accounts and services you have. Valley First loans are subject to separate written agreements and disclosures. Keep this Handbook as well as copies of other account-opening documents and change-in-terms notices you receive with your permanent documents. Your periodic statements will let you know the status of your Valley First accounts.

TERMINOLOGY

The terminology here will help you understand this Handbook and transactions on your Valley First accounts and loans.

- **Access Device:** Means a Valley First Federal Credit Union Card, code, or other means of access to your account, or any combination thereof, that may be used to initiate electronic fund transfers.
- **ACH (Automated Clearing House):** Means an electronic funds transfer system for making deposits to, or withdrawals from, your Account that we receive or send through the "automated clearing house" network administered by the National Automated Clearing House Association (NACHA). Common examples of

ACH transfers include a direct deposit of payroll or a one-time or recurring payment to a utility company.

- **Agent:** Means a person authorized to manage the Credit Union accounts and loans of a member or Joint Owner by virtue of a power of attorney, conservatorship order, trust agreement or similar document, or by court order.
- **ATM (Automated Teller Machine):** Means an electronic device owned and operated by or on behalf of Valley First or other financial institutions (or financial institution networks) that provides many of the same services as a teller, including the ability to make cash withdrawals and deposits. Except where noted, the term "ATM" includes our Interactive Teller Machines (ITMs) when your Card is used to initiate a transaction at an ITM.
- **Authorized Person:** Means any Owner, Agent, Obligor, or other person that has been identified to Valley First in person or by an authenticated, legally sufficient writing as authorized to conduct activity on your accounts or loans.
- **Authorized User:** Means any person to whom you have given permission to use your accounts or devices that access your accounts, whether or not you notify us of their permission.
- **Board** Means Valley First's Board of Directors.
- **Available Balance:** Means your Account's Available Balance. Refer to the section Overdrafts.
- **Business Day:** Means Monday through Friday, excluding federal holidays.
- **Bylaws:** Means Valley First's current Bylaws (available for review at our main office; see "HOW TO CONTACT US" at the end of this Handbook).
- **Card:** Means every type of consumer debit card we may issue. This term does not include any credit cards, prepaid cards, third-party merchant card, or a business debit card unless otherwise noted.
- **Consumer Membership and Consumer Account:** Means membership and Share Account(s) you have with us primarily for personal, family, or household purposes.
- **Credit**: Means a transaction that deposits funds to a Credit Union account or posts a payment to a Credit Union loan.
- **New Account**: Means an account of a person who has been a member of the Credit Union for fewer than thirty days.
- **Debit:** Means a transaction that withdraws funds from a Credit Union account.
- **EFT:** Means an electronic fund transfer.
- **Joint Owner:** Means a person, if any, who completes a Consumer Account Application in that capacity.
- **Member:** Means a person who completes and signs a Membership Application in that capacity, satisfies membership requirements and is approved by Valley First for membership.
- **Obligor:** Means any person obligated to pay a Credit Union loan or other debt owed to the Credit Union, such as a negative account balance, whether they are designated as a member, Joint Owner, borrower or non-borrowing co-signer or guarantor.
- **Owner:** Means any owner of an account, whether the member or a Joint Owner.

- **Party:** Unless the context indicates otherwise, "party" means any Owner, Obligor, or agent associated with a Valley First account, loan, or other service.
- **Share account:** Means any account at Valley First, including Savings, Checking, Money Market, Certificate, and other accounts we may offer from time to time. We may refer to our share savings accounts as "Savings Accounts," our share draft accounts as "Checking Accounts," our money market share accounts as "Money Market Accounts," and our term share certificate accounts as "Certificates" in this Handbook and other Valley First documents you may receive.
- **Valley First:** Means Valley First Federal Credit Union and if the context so indicates includes our officers, directors, agents, and employees.
- **You:** Means, as the context indicates, any member, Joint Owner, Agent, or Obligor.

GENERAL TERMS OF MEMBERSHIP

Your Consent to This Handbook

Your physical or electronic signature on a paper or electronic version of a Valley First Membership Application and/or Account Application and/or Fiduciary Account Application constitutes your agreement that your membership and accounts and any other Valley First services to which you are party will be subject to the terms of this Handbook and other agreements and disclosures you receive governing your Valley First services. You will consent to the specific terms of Valley First loan products by signing applications or credit agreements governing those products. The singular implies the plural if more than one person signs the Membership/Account Application. Any person who becomes an Agent but not an Owner or Obligor on a Valley First account or loan agrees to comply with all non-payment obligations contained in the agreement(s) governing the related account(s) or loan(s). You are responsible for ensuring that anyone who is a party to any Valley First account or loan of yours is made aware of the terms of the agreement(s) and disclosures(s) governing that account or loan and agrees to be bound by the terms.

Agreement to Arbitrate Disputes on An Individual Basis

Please read this arbitration agreement carefully. Any dispute related to your Valley First accounts or loans (except disputes subject to small claims court jurisdiction or disputes from which consumers are exempt from arbitration under applicable law) must be resolved by binding arbitration. You give up your right to go to court and assert your rights or defenses before a jury or court judge. In general, you agree to arbitrate disputes on an individual rather than a class or representative basis. However, if forty or more individuals submit to arbitration separate claims based on substantially identical factual and legal grounds, any claimant or Valley First can ask the arbitrator to determine that it is in the interests of efficiency and justice for the common claims to proceed to arbitration on a class or representative basis. You are entitled to a fair hearing before a neutral arbitrator. Arbitration procedures are simpler and more limited than court procedures. An arbitrator's ruling can be entered as a judgment in court and is subject to appeal only under very limited circumstances.

1. **Arbitration of disputes above small claims jurisdictional limit:** In consideration for and as a condition of Valley First's establishing membership and any account or loan services for you, you agree that any dispute (other than a dispute referenced in paragraph (2) of this arbitration provision) related to your Valley First membership, account, loan, or other Valley First service that cannot be resolved informally must be submitted by you or by Valley First to binding non-judicial arbitration provided through an arbitration administrator. The arbitration administrator may be JAMS or the American Arbitration Association ("AAA"). The arbitration will take place at the selected arbitration administrator's office in or nearest to your county of residence for consumer disputes. If the arbitration administrator has more than one office in your county of residence, arbitration will occur in its office nearest to your city of residence. Neither Valley First nor third parties collecting debts on our behalf will initiate arbitration to collect a debt, but Valley First reserves the right to arbitrate all other disputes with you. You can elect to require Valley First or our third-party collection agencies to submit to arbitration of a debt collection action we or they initiated against you in court. This arbitration agreement will remain in effect even if you pay off and close your Valley First accounts or loans. The term "dispute" includes any claim, controversy, or disagreement related to your Valley First membership, account, loan, or other service including but not limited to (a) claims that you or Valley First failed to comply with applicable law or regulation or the terms of the agreement governing the product(s) and/or or service(s) that is/are the subject of the dispute, (b) claims that Valley First injured you, or (c) claims related to the interpretation or enforceability of this arbitration agreement. Questions about whether a dispute is subject to arbitration shall be interpreted as broadly as the law allows. If either you or Valley First refuses to submit to arbitration upon demand by the other party, the party that seeks enforcement of this arbitration provision against the refusing party will, if successful, recover its costs of doing so from the other party. This arbitration agreement is governed by the Federal Arbitration Act.
2. **Matters not subject to mandatory arbitration:** Disputes in which the dollar amount in controversy does not exceed small claims jurisdictional limits may be brought by either you or Valley First in the small claims court in your county of residence. Although you and Valley First can agree to arbitrate disputes subject to small claims court jurisdiction, neither party can be compelled to arbitrate such disputes. Disputes consumers cannot be required to submit to mandatory arbitration are exempt from this Agreement to Arbitrate Disputes. As of the publication date of this Handbook, consumers cannot be required to arbitrate disputes related to loans secured by their primary residences or loans subject to the Military Lending Act.
3. **Self-help, provisional and ancillary remedies:** This arbitration agreement does not prohibit you or Valley First from exercising any lawful rights or using other available remedies to preserve, foreclose, or obtain possession of real or personal property; exercise self-help remedies, including setoff and repossession rights; or obtain provisional or ancillary remedies such as injunctive relief, attachment, garnishment, or the appointment of a receiver by a court of competent jurisdiction.
4. **Statutes of limitations:** The statute of limitations that would apply to any dispute subject to this arbitration agreement also applies to arbitration.

5 **Individual actions; availability of class arbitration for 40 or more identical claims:** Claims will be arbitrated on an individual rather than a class or representative basis. If the account or loan that is the subject of the claim has multiple Owners or Obligors, a single proceeding may be maintained by or against all parties to the account or loan. However, if more than forty claims are asserted based on substantially identical legal and factual grounds, any party may ask the arbitrator to rule on the question of whether it would be in the interest of justice and efficiency for the claims to proceed to arbitration on a class or representative basis. If the arbitrator so rules, the claims shall proceed to arbitration on a class or representative basis.

6 **Costs of arbitration services:** All costs of arbitration assessed by the arbitration administrator and fees charged by the arbitrator will be borne by Valley First, except that if you initiate the arbitration, you will pay the arbitration administrator's then-current fee for consumer-initiated arbitrations.

7 **Single arbitrator:** All claims will be heard by a single arbitrator knowledgeable in the subject area of the dispute who is either a retired state or federal court judge or an attorney with at least ten years of relevant practice experience.

8 **Arbitrator selection process:** The party initiating the arbitration will ask the arbitration administrator to provide a list of qualified arbitrators. If you and we cannot agree to the selection of an arbitrator from the list, you and we will each select one arbitrator from the list, and those two arbitrators will select a third arbitrator to hear the dispute.

9 **Governing rules and law:** The arbitration will be conducted under the consumer arbitration rules of the selected arbitration administrator. The arbitrator will apply applicable substantive law. Each party may be represented by counsel of their or its own choosing.

10 **Available remedies:** Each party will have the same remedies available in arbitration as would be available if the dispute were heard in court, including but not limited to recovery of attorney's fees, expert witness fees, and costs, subject to applicable law and if awarded by the arbitrator.

11 **Discovery:** The arbitrator shall allow discovery of non-privileged information relevant to the dispute.

12 **Time for resolution:** Unless otherwise agreed by you and Valley First or unreasonable given the nature of the dispute or actions of the parties, the arbitrator shall render a decision within six months after submission of the dispute to arbitration.

13 **Written statement of decision**: The arbitrator shall issue a written statement of decision setting forth their ruling on each claim. The statement of decision will include the findings of fact and conclusions of law on which the ruling on each claim is based.

14 **Final and binding nature of decision:** The arbitrator's decision will be final, binding, and not subject to appeal. The arbitrator's decision may be entered as a judgment in a court of competent jurisdiction.

Our Right to Suspend Access to Your Valley First Accounts and Lines of Credit If You Default on Your Obligations to Us

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 home equity credit lines. 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.

Telephone Contact Consent

By being a party to any Valley First account, loan, or other service, you agree to the following telephone contact terms. Valley First and any and all of our affiliates, employees, agents, assigns, service providers, and joint marketing partners (together "Valley First Parties" and each a "Valley First Party") may contact you at any telephone number you provide to any Valley First Party at any time to administer, service, and collect amounts owed on any Valley First account or loan on which you are Owner, Agent or Obligor, and in some cases to inform you about financial products or services that may be of interest to you ("permitted communications"). Telephone numbers that Valley First Parties may call for permitted communications include landline (wireline) numbers and wireless numbers. Wireless numbers include numbers associated with mobile telephones, cellular telephones, and other wireless devices. Methods by which Valley First Parties may contact you include live representative calls or automated communications. Automated communications include pre-recorded/artificial voice messages, use of automated dialing systems (robocalling), and/or text messages. Valley First Parties will not use automated communications for marketing purposes unless you affirmatively opt in to receiving them. You can opt out of receiving automated marketing communications at any time. Permitted communications from Valley First Parties may result in your incurring charges from your wireless service provider. You agree not to provide any telephone number to any Valley First Party unless you are the subscriber of that number or otherwise have permission to allow Valley First Parties to call that number. You agree to notify Valley First immediately if you cease to be a subscriber of, or cease to have permission to allow Valley First to call, a number that you have previously given to any Valley First Party. You agree to defend and hold Valley First harmless from any claims or liability to which Valley First becomes subject as a result of calling a number you have given to any Valley First Party prior to your notice to a Valley First Party that consent to call that number has been revoked.

You can revoke consent for Valley First Parties to use automated communications to contact you for non-emergency purposes on wireless numbers. You can also revoke consent to live representative calls to wireless numbers for marketing purposes. Your consent may be revoked in person at a Valley First office, in writing (by letter or email), by telephone or by any other reasonable means that informs the Valley First Party that your consent is revoked. Your notice must provide sufficient information to enable Valley First to implement the revocation, including your 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 Valley First 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 Valley First accounts.

You agree that at all times you have any open accounts or loans with Valley First or are indebted to Valley First at any amount, you will provide Valley First with at least one valid telephone number at which Valley First Parties have permission to call you during normal business hours. Your failure to do so may result in your being deemed in breach of your account and/or credit agreements with Valley First and denied future Valley First services.

Membership

If you are within our field of membership, have no significant derogatory financial institution history, and satisfy our customer identification requirements, your membership is established upon your submission and our approval of your completed Membership Application along opening a share account with the required minimum initial deposit and, if required by our Board, payment of a uniform entrance fee Membership is for life, regardless of where you live or work, as long as your membership is not terminated by you or us. . Your membership makes you a Shareholder-Owner of the Credit Union and entitles you to apply for all of our financial services. If you voluntarily terminate your membership and later wish to rejoin, you will need to reapply and Valley First will determine your eligibility at that time.

Members are eligible to run for seats on the Valley First Board of Directors. Members will be notified about upcoming elections.

Each member has one vote in Credit Union elections, regardless of the number of member numbers associated with accounts maintained by the member and regardless of the dollar amount of shares owned by the member.

We will not provide Credit Union services to any person who does not provide us with a valid U.S. taxpayer identification number or an IRS exemption determination.

Although you do not need to be a member of Valley First to be an Agent, Joint Owner, or Obligor on a Valley First account or loan, you must be a member of Valley First in your own right to be eligible to vote, run for the Valley First Board, or to apply for your own Valley First accounts and loans.

Service Denial

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.

Non-Transferability of Membership

Membership in Valley First is non-transferrable.

Account Parties

Our core data processing system assigns a number to each person who joins Valley First or otherwise becomes a party to a Valley First account or loan. That person's number will be linked to each Valley First account or loan to which you are a party. In addition, each account or loan at Valley First will be assigned a unique identifying number. Your Account Application will identify each person who is party to the account opened on that Application.

Fiduciary Accounts (such as for trusts, conservatorships, or incapacitated recipients of government benefits) cannot have Joint Owners, but except for Uniform Transfers to Minors Accounts, they can have more than one Agent. For example, a trust instrument may name co-trustees, or a court order may name co-conservators. In some cases, usually by court order or agreement, an Agent may be named to act on behalf of a Fiduciary on a Fiduciary Account.

If a person has a current beneficial interest (meaning current ownership or entitlement to the benefit of the funds in the account) in a Valley First account and that person becomes obligated to Valley First, the account will be subject to our Right of Offset

whenever that person fails to meet a payment obligation to us, even if not all persons with current beneficial interests in the account are parties to the loan or account transaction that resulted in the debt. For example, if A and B own an account jointly, and B fails to pay an obligation incurred to the Credit Union solely by B, the funds in the account owned jointly by A and B are subject to our Right of Offset. See "Our Right to Recover What You Owe Us" for more information about our Right of Offset.

Meeting Your Obligations

As a member of Valley First, you have the following obligations:

- You agree to comply with the terms of agreements governing the Valley First services you receive including but not limited to this Handbook.
- You agree to be honest with us about your financial circumstances. You agree not to omit any material information from applications for Valley First services. You agree not to request or use credit if you have reason to believe you will be unable to make the required payments.
- You agree to be truthful and disclose all material information when submitting claims of account errors or unauthorized transactions. If we credit your account or loan in response to your error or unauthorized transaction claim, you agree to comply with our reasonable requests for documentation and assistance in investigating your claim and recovering the associated loss from the responsible party(ies).
- You will not allow any Valley First account to fall below a zero balance. If any Valley First account of yours has a negative balance, you agree to restore the account to a balance no lower than zero immediately upon our written or oral demand.
- You will be responsible for all items deposited to your accounts. If a deposited item is returned unpaid, the amount of the item plus any Returned Deposit fee shown on the current Fee Schedule will be deducted from the account of deposit (or if that account does not have sufficient available funds, from any account in which you have a present ownership interest), and you will be responsible for immediately restoring any resulting negative balance.
- You agree that "Our Right to Recover What You Owe Us" applies to any amount you owe us that you do not pay according to your agreements with us.

Your failure to handle your account properly may result in our reporting you to consumer reporting agencies that monitor account abuse. This report could adversely affect your ability to obtain account services.

Your failure to meet loan obligations may be reported to consumer credit reporting agencies. This report could adversely affect your credit standing and ability to obtain credit.

Document Delivery and Review – Reporting Unauthorized Activity and Other Errors

Keep track of all deposit and withdrawal transactions on your accounts and all advances and payments on your loans. We will

send you periodic statements covering all transactions on accounts and loans you maintain with Valley First. If you have an active Checking Account or Electronic Funds Transfer activity, you will receive a monthly statement; otherwise, we send statements at least quarterly. You agree that delivery of a periodic statement to the member on an account or loan constitutes delivery of the statement to all Owners of the account and all Obligors on the loan.

Promptly review and reconcile statements and other communications you receive from us and contact us if you have questions or concerns. Account activity can be monitored 24 hours a day via our free secure Digital Banking Service channels, which include Online and Mobile Banking, customizable Alerts and Notifications, Debit/Credit Card Alerts, and Valleyline Audio Response (“Valleyline").

If you enroll in eStatements, we will notify you by email when electronic statements and other notices, communications, and documents such as IRS tax statements are available for retrieval on our secure website and you are responsible for collecting them. If you enroll in eStatements, you are responsible for collecting your statements from our Online or Mobile Banking portal and we will be deemed to have delivered them as soon as we notify you that they are available.

We will have no liability or responsibility for communications that you do not retrieve or that are lost, damaged, or misdelivered by the U.S. Postal Service or other third-party delivery service.

If you do not receive an expected statement, contact us promptly to request a duplicate statement and to ensure that we are sending statements to the correct address. An archive of statements in electronic format can be retrieved in Online Banking or Mobile Banking. You can see what statements are available within the Online Banking and Mobile Banking platforms. If you have difficulty retrieving eStatements or other electronic documents, contact us so we can take the steps necessary to get your documents to you.

If you have a Checking Account, a Money Market Account with check-writing privileges, or a credit line that allows you to write special checks to obtain loan advances, we do not send canceled checks with your periodic statement. However, we retain electronic copies of all checks you write for the period required by law and will provide check copies to you upon request. You can also view and make printable electronic copies of canceled checks in the Online Banking or Mobile Banking platforms. Refer to Valley First’s Fee Schedule for document copy fees.

Unauthorized Signature or Alterations on Checks: Keep track of all transactions you initiate on your accounts and credit lines. If you suspect that a check drawn on your account or credit line was altered (e.g., changing the payee name or dollar amount of the check) or forged, notify us in writing within 30 days of the mailing or electronic delivery date of the statement on which the item first appeared. Tell us all the information requested under “WHAT TO TELL US IN CASE OF ANY ERROR OR INQUIRY” at the end of this Handbook. If you do not tell us within 30 days (60 days in the case of a check written for an advance on a line of credit), we will not be responsible for the forged or altered item. We operate in an automated check-processing environment, and it is not feasible for us to physically examine checks that clear. For this reason, we are, as allowed by law, altering the provisions of the Commercial Code regarding the amount of time you have to report forged or altered checks.

Other Errors or Inquiries (Excluding Credit Lines and EFTs): Notify us in writing within 30 days after we send you the first statement on which the error, unauthorized transaction, or other problem or item about which you have a question appeared. Tell us all the information requested under "WHAT TO TELL US IN CASE OF ANY ERROR OR INQUIRY" at the end of this Handbook.

Credit Lines and EFTs: Rules governing claims of error or unauthorized use applicable to EFTs are found in the "ELECTRONIC FUNDS TRANSFER (EFT) AGREEMENT AND DISCLOSURE STATEMENT" section of this Handbook. For loans and lines of credit, refer to the governing credit agreement or billing statement for specific rules regarding unauthorized use and billing error claims. Your periodic statements will also summarize error resolution procedures for loans and EFTs.

Your failure to notify us within the stated time frames may result in your sharing any loss with us or bearing the entire loss, depending on the circumstances.

We will investigate all claims and other inquiries. You agree to provide reasonable cooperation we lawfully request in connection with our investigation, including completing affidavits under penalty of perjury confirming your claim or filing a crime report with a law enforcement agency, if your claim relates to a forged, altered, or otherwise unauthorized transaction.

If we correct any error or accept any responsibility for a transaction, our crediting your account will result in an automatic assignment to us of the right to collect the transaction amount from anyone else who is responsible. In consideration for our crediting your account, you agree to provide reasonable assistance that we or any subrogee of ours requests in pursuing a claim against the responsible party(ies).

Our liability for any errors or unauthorized transactions will be limited to the actual damages, which is the amount of the error or unauthorized transaction and, depending on circumstances, lost interest or fees. We will not be liable for consequential damages such as alleged harm to your credit standing, unrealized profits, lost business opportunities, emotional distress, or punitive damages.

Change of Address

You must promptly notify us of any change in your physical and mailing addresses. If you do not promptly notify us of any change in your mailing address, we may charge a returned mail fee to your account (refer to Valley First's current Fee Schedule). If you have elected to receive materials such as statements and disclosures from us electronically, you must promptly notify us of any change in your email address.

If email we send you is returned undeliverable, we may resume sending communications to you by postal mail until we receive an updated email address for you. We are not required to send statements if we do not have a valid postal mailing address for you. If you do not receive statements or other materials that you expect to receive from us, contact us immediately (see the "HOW TO CONTACT US" section at the end of this Handbook) to request copies of the materials you have missed. We will not be responsible for unauthorized transactions or other errors if you do

not notify us within the time frames specified elsewhere in this Handbook.

Maintaining Account Security

The Credit Union makes its best efforts to maintain commercially reasonable security protocols for in-person, telephone, and electronic banking transactions.

You are responsible for maintaining the security of your Credit Union accounts, account access devices, and account access credentials. Any person to whom you voluntarily give your account information, access devices, or access credentials, whether or not they are known to you, is considered an "authorized user" and can conduct any transaction you can conduct yourself. We will not reimburse you for losses incurred as a result of transactions initiated by you or authorized users.

In handling your service requests and inquiries, in our exchange of communications with you, we may ask you to provide limited personal information to confirm your identity for security purposes. However, we will never initiate unsolicited communications with you asking you for confidential personal information such as your full social security number, account number, or confidential access code. We already have this information and will not need it when contacting you.

Financial fraud against consumers is widespread. The Credit Union cannot and does not undertake any duty to advise you about whether any proposed transaction on your Credit Union accounts or the parties to it are legitimate. A Credit Union staff member may attempt to assist you by, for example, cautioning you about a type of transaction known to have a high incidence of fraud, but any such action is an accommodation only and does not constitute an undertaking by the Credit Union to prevent you from falling victim to financial scams. Our responsibility is limited to maintaining commercially reasonable security protocols to minimize the risk of unauthorized access to your accounts. If you lose money as a result of financial fraud, you may not be able to get the money back.

Please notify us immediately (see "HOW TO CONTACT US" at the end of this Handbook) if you receive a questionable communication that appears to be from us so we can investigate.

Record Retention

We are not required to retain or provide to you or third parties any records on any account, loan, or other activity you have with us beyond any time limit imposed by applicable law or regulation. We suggest that you retain your agreements and disclosures governing the services you obtain from us, including any change-in-terms notices you receive, until you no longer have the related service.

Our Responsibility for Following Your Instructions

We reserve the right to verify your identity by any reasonable means prior to acting upon instructions.

On accounts or loans with more than one Authorized Person, we can follow the instructions of any one Authorized Person. If a court orders that an account or loan be subject to multiple signature requirements, we reserve the right to close the affected account or

loan due to our technical inability to honor such requirements. If we continue to make the account or loan available to you, you agree that you have sole responsibility to monitor compliance with and meet dual or multiple signature requirements and to defend and indemnify us from any liability or claims arising out of your failure to comply with multiple signature or similar requirements for joint authorization of transactions. We operate in an automated processing environment and cannot monitor compliance with multiple signature requirements imposed by third parties.

We will follow your instructions on your accounts and loans. Instructions may be provided orally or in writing. Oral instructions will be honored only after we have confirmed the identity of the person giving the instructions. Instructions received via secure electronic transmission, such as personal identification number (PIN)-initiated ATM keypad or secure messaging within the Online Banking and Mobile Banking platforms, are treated as written instructions.

We honor all valid court orders, legal process and powers of attorney that govern your accounts or loans. Valid court orders and legal process (such as valid subpoenas) will prevail over conflicting instructions from Authorized Persons.

We reserve the right to refuse to follow your instructions if: (1) they are ambiguous, (2) we reasonably believe the instructions do not comply with applicable state or federal law, (3) an Authorized Person asks us not to allow transactions on an account or loan, (4) we receive conflicting instructions on accounts or loans with more than one Authorized Person, (5) we are unable to verify your identity, (6) we reasonably believe that following the instructions will cause the Credit Union a loss, or (7) any other lawful reason.

Once we have followed the instructions of an Authorized Person, we are relieved from liability to any Owner of the related account or Obligor on the related loan unless our following the instructions violates a court order to which we are subject or we have agreed in writing to freeze the account or loan. Any disputes regarding actions taken on the account or loan must be resolved between or among the parties to the account or loan.

You agree to defend, indemnify, and hold us harmless from any claims, damages, losses, liability, or expenses to which we become subject as a result of your violating court orders or agreements to which you are subject. For example, if a family court order directs you not to withdraw funds from a Valley First account and you withdraw the funds contrary to the order, you will be responsible for any claims related to the withdrawal and you agree to defend and indemnify us from any related claims.

We are not required to honor restrictive legends on items you write or endorse unless we have expressly agreed in writing to do so. For example, our negotiating a loan payment check on which you have written “payment in full” will not discharge your loan obligation unless either (a) we have agreed in writing that the payment will discharge your obligation or (b) the check actually pays your loan balance in full, including accrued interest and other charges.

You agree, at your sole expense, to defend, indemnify and hold us harmless from any claims, damages, losses, liability, or expenses to which we become subject as a result of our following the instructions (including electronic instructions) of any Authorized Person.

Our Right to Freeze or Block Accounts and Loans and Refuse to Follow Instructions

In case of conflicting instructions, we reserve the right, but do not undertake the duty, to freeze funds in any account or refuse to make loan advances until we receive consistent written instructions from all Authorized Persons or a valid order from a court of competent jurisdiction.

We may block accounts or decline transactions consistent with requirements imposed by applicable laws, regulations, or government agency directives, or for any other lawful reason.

Prohibition on Illegal Activity

Use of Valley First products, devices, and services to conduct illegal transactions is prohibited. You agree not to use any Valley First products, devices, or services to engage in illegal activity. We have the right to refuse to conduct transactions initiated on your accounts if we reasonably believe them to be illegal, such as illegal internet gambling transactions, but we have no obligation to determine the legality of transactions you initiate. You cannot use the actual or alleged illegality of authorized transactions as a defense to your obligation to pay amounts you become indebted to us as a result of those transactions.

Our Right to Recover What You Owe Us

If you owe us money, whether on a loan, because an item you deposited was returned unpaid causing a negative account balance, 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 or oral demand, you agree that we can take any Valley First shares in which you have a present beneficial interest (unless prohibited by law or the share agreement) to recover all or part of what you owe us without further notice to you. This is our "right of offset." On joint accounts, our right of offset applies to all funds in the account if any Owner of the account is in default on a payment obligation to us. We are not subject to agreements between or among Joint Owners regarding ownership of funds in joint accounts. If we exercise our rights under this provision, you agree that we are not electing a remedy or waiving our rights to take other lawful action to collect any amount you still owe us. This consent by you is in addition to any equitable right of offset or right we have to impress a lien on shares under the Federal Credit Union Act or other applicable law.

You agree to pay reasonable costs we incur in attempting to collect what you owe before we take legal action, such as repossession costs for example. If we or a third party acting on our behalf initiate legal action to collect an amount you owe us or damages we are entitled to under the law (such as statutory damages imposed for writing bad checks), 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's fees 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 another type of legal action. If you demand that a collection action initiated by us be transferred to arbitration and the arbitrator rules in Valley First's favor, you also agree to pay our arbitration fees unless prohibited by the law of your state of residence.

To the full extent allowed by the law of your state of residence, collection costs will bear interest from the date incurred until paid at the contract rate (in the case of costs incurred to collect loans you have obtained from Valley First) or the legal rate (in the case of collection costs incurred to collect other money you owe us.).

Suspension or Discontinuation of Services

We can close accounts for any lawful business reason by sending you advance notice required by law. We will generally give you at least 10 days' notice before we close an account but reserve the right to close accounts without advance notice. Any closing of your accounts will not affect our handling of regular transactions prior to the notice, provided that sufficient funds are available to handle them.

If your Valley First services are terminated solely due to nonparticipation (failure to maintain a Credit Union account, obtain a Credit Union loan, or vote in a Credit Union election for six consecutive months), you may reinstate your membership to active status by meeting minimum balance and activity requirements.

We can suspend or terminate borrowing privileges on credit lines consistent with applicable law by providing any notice required by law. Refer to your credit agreements for further details.

Reasons we can suspend or discontinue services, with or without notice, include but are not limited to: (1) your failure to provide funds sufficient to cover your debit transactions, (2) your failure to keep loan payments current, (3) misuse of your accounts for check kiting, deposit of invalid items, or other unlawful purposes, (4) filing of a bankruptcy petition by or against you, (5) your failure to observe the conditions of any other agreement with us, (6) your failure to provide a valid U.S. taxpayer identification number or certificate of exemption, (7) our receipt of a notice from the Internal Revenue Service that the taxpayer identification number you have given us is not valid or that you are subject to backup withholding, (8) our receipt of notice from any governmental agency exercising its proper jurisdiction that continued provision of the service would be unsafe or unsound or violate a law or regulation to which we are subject, or (9) any reason listed under "Service Denial and Termination of Membership" above.

If we receive notice that the sole Owner of an account is deceased, we will cease to honor transactions initiated on that account. We may, however, depending on the circumstances, honor disbursement instructions from any named Pay-on-Death Beneficiary(ies), any person(s) appointed by a court as executor(s) or administrator(s) of the deceased Owner's estate, or any person(s) claiming to be successor(s) of the deceased Owner under laws governing administration of small estates.

If we receive notice that the sole Owner of an account has been declared legally incompetent, we will cease to honor transactions initiated on that account, unless initiated by a person holding a valid power of attorney that includes power to transact on the account and survives the legal incompetence of the Owner, or a court-appointed conservator or guardian for the property of the Owner.

If we receive competing instructions from persons claiming an interest in the account of a deceased or incompetent Owner, we may freeze the account until we receive consistent written

instructions from all claimants or a court order directing disbursement of the account.

You may terminate your Credit Union services at any time by notifying us orally or in writing, depending on the type of request. Termination of Credit Union services by you or by us will not relieve you of any obligations incurred prior to termination.

Fees and Damages

Our current Fee Schedule details our fees for general and account-related services and is incorporated into this Handbook by reference. Fees may include, by way of example only, maintenance fees, transaction fees, minimum balance charges, dormant (inactive) account fees, levy processing fees, escheat notice fees, and returned mail fees. To the extent fees related to default of your agreements with us exceed our actual direct and indirect costs, they are to be considered damages.

Valley First loans are subject to fees and charges. Loan-related fees and charges are disclosed in the applicable credit agreement and in some cases may also be shown on our Fee Schedule.

If we receive a valid legal process requiring us to provide records about your accounts or loans and the party requesting the information is not required by law to pay for our costs of providing the information, we will recover our costs of compliance by deducting them from any account in which you have available funds. If you do not have available funds, such costs will be subject to "Our Right to Recover What You Owe Us."

Fees may be added or changed by legally required notice to you.

Privacy and Disclosure of Information

Identification: We reserve the right to verify your identity by any reasonable means before providing information to you.

Written Permission, Legal Mandates, Operational Requirements: Valley First does not generally release personal or financial information about members or Authorized Persons to third parties. However, notwithstanding any other provision of this Handbook or our published Privacy Statement, Valley First will disclose information about you and your accounts and loans to third parties: (1) as allowed by the authenticated written permission of any currently Authorized Person on the account or loan, (2) as required by law, such as in response to properly issued subpoenas or court orders, (3) to conduct our business and comply with laws and regulations applicable to us, and (4) to process your transactions. Examples of situations in which we release information to third parties to conduct our business include disclosure of loan and account performance to consumer reporting agencies, enforcement of obligations to us, and investigation of unauthorized activity claims. Refer to the Valley First Privacy Statement for more information.

California Consumer Privacy Act: Information that Valley First collects about California resident consumers is generally covered by federal or state financial information privacy laws. To the extent such information is covered by financial information privacy laws, it is exempt from the California Consumer Privacy Act ("CCPA"). However, if Valley First does collect information about California resident consumers that is not subject to federal or state financial information privacy laws, Valley First will provide required

disclosures at the point of collection and comply with the requirements of the CCPA

Bundled Statements: Some accounts of a member may not have identical Owners or Obligors. For example, a member might have a Savings and Checking Account with a Joint Owner but an IRA under the member's name only. We "bundle" periodic statements for most of our services, meaning that a single statement covers multiple accounts and loans maintained for a member. Bundled statements may be addressed to the member or the member's Agent at the address in our records and one joint owner or obligor. The member and all other Owners of accounts maintained with the member and all other Obligors on loans maintained by the member consent to the delivery of bundled statements, even though this may result in release of information about an account or loan to which the addressee is not a party.

Beneficial Owners: Valley First may release information about accounts to present Beneficial Owners of those accounts, even if the Beneficial Owner is not currently an Authorized Person. Examples of present Beneficial Owners who are not Authorized Persons include present non-trustee trust Beneficiaries, minor Beneficiaries of Uniform Transfers to Minors Act accounts, or Beneficiaries of representative payee accounts for payment of benefits such as social security disability benefits.

Pay-on-Death and Contingent Beneficiaries: Valley First does not release information about accounts to Pay-on-Death Beneficiaries until the deaths of all Owners entitle the Pay-on-Death Beneficiaries to the funds in the account. Valley First does not release information about accounts to other secondary or contingent Beneficiaries of funds in accounts, such as individuals who are to receive any assets remaining in a trust at the death of all current Beneficiaries of the trust.

Former Owners and Obligors: Valley First will provide a former Owner or Obligor information about activity on the account they owned or the loan on which they were obligated that took place while they were an Obligor or Owner. For example, assume that A adds B as a Joint Owner of A's accounts on January 1, 2012, and B is deleted as a Joint Owner of A's accounts on December 31, 2013. Valley First will release to B information about activity on A's account that took place from January 1, 2012 through December 31, 2013, without A's permission. If B wants information about activity that occurred prior to January 1, 2012, or after December 31, 2013, Valley First would release that information only with A's authenticated written permission or valid legal process such as a subpoena or court order.

Costs and Fees Associated with Information Requests: Any party who requests information about an account or loan must pay applicable research and copying costs unless waived by us.

Backup Withholding

Valley First has the right to withhold amounts required by state or federal tax laws from your dividends if you or the Internal Revenue Service advises us that you are subject to backup withholding or if you fail to certify your correct Social Security/taxpayer identification number on a form designated by us. You are responsible for providing Valley First with the correct social security/taxpayer identification number on all accounts you open with us. We have no duty of further inquiry as to the number(s) you provide, but we will not open or maintain accounts without social security/taxpayer

identification numbers (or notice that a number has been applied for or you are eligible for a waiver).

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.

Governing Law and Terms

All Valley First accounts are governed by:

1. This Handbook;
2. California law for Fiduciary Accounts unless application of the law of the consumer's state of residence is required;
3. Applicable federal laws and regulations;
4. The current version of Valley First's Truth in Savings Disclosure for Consumer and Fiduciary Accounts,
5. Valley First's Fee Schedule; and
6. The current version of Valley First's Bylaws.

To the extent any of the above documents with a more recent effective date than this Handbook is inconsistent with this Handbook, the more recent document shall prevail.

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, or debit 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.

Notices

You can send us any written notices regarding your accounts or loans by writing to our main office. See “HOW TO CONTACT US” at the end of this Handbook. If we change our contact information for delivery of notices, we will notify you. We are not required to honor notices from you that are inconsistent with your agreements with us or that appear to be inauthentic. Certain types of notices, such as change of address notices, may be subject to verification for security or other business reasons. We reserve the right to refuse to honor written notices to close accounts, withdraw funds or other written transaction requests that could cause Valley First a loss until we authenticate the instructions consistent with our security procedures.

We can send you periodic statements and other communications by mailing them to your address in our records or by sending them to you electronically if you have agreed to receive statements and other communications from us electronically. Notices that we send to you will be binding upon mailing or electronic delivery or after the passage of any time required by applicable law or regulation, whichever is later. Notices and statements mailed to you by first-class U.S. mail are presumed to be received five business days after mailing if you live in California, or ten business days after mailing if you live outside California. Unless we receive a delivery failure notice, if we send you notice by email that indicates statements or other communications are available for pick-up within our Online Banking and Mobile Banking channels, the statement or other communication will be presumed to have been received by you upon transmission of the email notice.

If you provide us with an e-mail address, you agree we can, consistent with applicable law, send messages to you at that e-mail address even if you have not agreed to receive statements and other communications from us electronically. By providing us with an e-mail address, you confirm that you have all necessary permission to allow us to contact you at that address. E-mail messages will not contain nonpublic personal information that could be used to compromise your security.

Unless otherwise required by law, our sending a statement or other communication to any Owner of an account or Obligor on a loan will constitute delivery of the statement or other communication to all Owners, Agents, or Obligors.

If any mailed statements or other documents are returned to us by the U.S. Postal Service as undeliverable, we are authorized to destroy them. We will retain the capacity to provide copies of statements and other communications to you for any maximum time prescribed by law. We are not required to continue to attempt to send mail to you at an address the U.S. Postal Service has notified us is not valid for you.

General Provisions

If any provision of this Handbook is adjudicated to be void, voidable or unenforceable, it will be deemed amended to the extent necessary to render the provision enforceable consistent with its intent. If the provision cannot be amended, it will be deemed deleted and the remaining provisions will continue in effect.

VALLEY FIRST FEDERAL CREDIT UNION ACCOUNTS

Truth in Savings

For Consumer Accounts including Fiduciary Accounts, refer to the current Truth in Savings Disclosure (including the Savings Rate Sheet) and the Valley First Fee Schedule for account opening disclosures required for Consumer Accounts by the Truth in Savings Act, including dividend rates, annual percentage yields, dividend cycles, and other information. The Certificate Account Opening Disclosure has terms applicable to Consumer Term Certificates.

Federal Account Insurance

Your Valley First accounts are federally insured by the National Credit Union Administration, a U.S. Government agency. For more information, contact a Valley First representative or refer to the account insurance publications available on the NCUA website, www.ncua.gov.

Ownership of Accounts, Joint Account Ownership, and Pay-on-Death Beneficiaries

A Consumer Account on which only the member is an Owner is called an individual account.

A Consumer Account may, unless prohibited for the account type, have more than one Owner. Such accounts are called joint accounts. At least one Owner of each Credit Union account must be a member. On any joint account, each Owner owns all funds in the account, including paid dividends, with right of survivorship. "Right of survivorship" means that when one Owner dies, the funds are automatically owned by any remaining Owner(s) of the account. We do not allow other forms of account ownership, such as community property or tenancy in common. We are not subject to agreements between or among account Owners of joint accounts as to entitlement to the funds. Any dispute among Owners of joint accounts regarding entitlement to funds must be resolved among the Owners without our involvement.

Each Owner of a Credit Union Consumer Account will be subject to review of their financial institution history and must satisfy our Customer Identification Program requirements. Non-Owner Authorized Persons such as attorneys-in-fact and custodians under the Uniform Transfers to Minors Act must also satisfy our Customer Identification Program requirements. We reserve the right not to permit or add a Non-Owner Authorized Person to an account if we reasonably believe doing so poses material risk of loss to Valley First.

Any Authorized Person may deposit or withdraw any amount in any account on which they are authorized. Once any Authorized Person withdraws funds from an account, the right of all other Owners to the withdrawn funds terminates.

Once funds are deposited to a joint account, they become subject to joint ownership with right of survivorship.

Any Owner may pledge funds in their account as security for a loan unless the account is prohibited from being pledged. For example, Checking Accounts, Money Market Accounts, and IRAs may not be pledged as security for loans.

- If any Owner becomes indebted to us and does not meet their payment obligation, funds in any account of which they are an Owner will be subject to our Right of Offset (see "Our Right to Recover What You Owe Us").

- Owners may, if they wish, designate Pay-on-Death Beneficiaries ("POD Beneficiaries") on most Valley First Consumer Accounts. POD Beneficiaries are not allowed on Fiduciary Accounts or Business Accounts.

Under the laws of some states, a married person may open an account with Joint Owners or POD Beneficiaries other than their spouse without the consent of their spouse. The person opening the account is responsible for complying with state laws regarding spousal consent and Valley First will have no duty to investigate. At the death of a married person, a non-owner surviving spouse may assert claims against funds in the account that could affect surviving Owners' or POD Beneficiaries' claims to the funds.

If the member on a joint account dies and the surviving Owner is not a member, the surviving Owner must close the account. If the surviving Owner is a member, is eligible to join and becomes a member, or is a Joint Owner of accounts with another Valley First member, the surviving Owner may transfer the funds to another Valley First account on which they are a member or a Joint Owner. However, an account may not remain open when the member on that account dies after administration of the member's estate is complete. If the surviving Owner of a joint account is the member associated with the account, the account can remain open.

On an individual Consumer Account with a POD Beneficiary, at the death of the member, funds in the account pass, outside of any probate, will or trust of the member, to the POD Beneficiaries, in equal shares unless the Consumer Membership/Account Application specifies a different percentage. On joint accounts with POD Beneficiaries where the last surviving Owner is the member, funds will pass at the death of the member to the designated POD Beneficiaries in equal shares. On joint accounts with POD Beneficiaries where the member dies prior to the other Owner(s), the preceding paragraph requiring transfer of the funds to another account of the Joint Owner or closing of the account will apply and the contingent right of the POD Beneficiaries to the funds in the closed account will terminate.

Until the death of all Owners, POD Beneficiaries have no right to or interest in the funds in accounts on which they are designated. Funds will not be disbursed to any POD Beneficiary until the POD Beneficiary has been identified and subject to screening required by law, such as screening against lists maintained by the federal Office of Foreign Assets Control.

To change the ownership or POD Beneficiaries on accounts other than as the result of the death of an Owner, an updated Account Application reflecting the desired changes must be signed by all current Owners and any new Owners. Any new Owner must satisfy our financial review and Customer Identification Program requirements. In general, a non-owner Fiduciary such as an attorney-in-fact cannot change the ownership or POD Beneficiary designations on accounts unless the document appointing them expressly grants that authority.
Accounts designated as "Totten Trusts" in our records are legally the same as accounts with pay-on-death beneficiaries and will be handled the same as accounts with pay-on-death beneficiaries. This is also the case with accounts designated as "revocable trust" accounts in our records where the account is owned by one or more individuals and not a trust established by separate written agreement.

To remove any Owner of an account, either: (1) all current Owners, including the Owner to be removed, must consent in writing to the change, or (2) an authorized person must close the account and reopen it under a new number. Non-member Owners cannot close and then reopen Valley First accounts under a new number unless they are eligible, apply and are approved for membership.

The most recent Account Application on file with us will govern ownership and POD Beneficiaries on your account(s) under that number. For example, if your original Consumer Account Application designated a POD Beneficiary but your most recently updated Consumer Account Application does not name a POD Beneficiary, we will assume that you want any remaining funds to pass to your estate at your death.

You can ask us about ownership and POD Beneficiary status of your accounts at any time.

Although funds transfer automatically at death to any designated POD Beneficiaries, a representative of a deceased Owner's estate will be entitled to information about transactions on the account prior to the Owner's death, including the account balance at the time of death, the identity of POD Beneficiaries, and amounts disbursed to POD Beneficiaries.

Any disputes among Owners, POD Beneficiaries or third parties regarding rights to funds in your accounts must be resolved among the claimants without our involvement. Upon request by any Owner or Agent on an account, we will freeze funds in the account until we receive consistent written instructions from all Owners and Agents regarding disposition of funds in the account.

Escheat/Unclaimed Property

In general, if for three years (or the period called for by your state law if the address we have for you in our records is outside California), you initiate no communication with us, you do not log into Digital Banking Services, and there is no activity on any Valley First account of yours other than crediting of dividends and debiting of fees, any account balances you have will be deemed abandoned and subject to forfeiture to your state of residence in our records. We will mail you notice required by applicable law that your funds will be subject to escheatment if you do not contact us, log into Digital Banking Services, or transact on your account.

Deposits, Withdrawals, Payments, and Transfers

Deposit Channels

Deposits to your Valley First accounts can be made: (1) by Automated Clearing House (ACH) credit entry (such as direct deposit of all or a portion of your net pay or state or federal benefits), (2) at some Valley First and Co-op℠ ATMs, (3) by mail, (4) in person at Valley First Branches and Co-op Shared Branch℠ locations, (5) by wire transfer, (6) by third parties whom you have authorized to electronically transfer funds to your Valley First accounts, including via transfer from their Valley First accounts to your Valley First accounts or via money transfer applications such as Person-to-Person payment services or digital wallet services such as Apple Pay®, or (7) by Mobile Deposit if you apply and are approved for enrollment. Valley First may make additional deposit channels available in the future.

Endorsement of Deposit Items

We reserve the right but do not undertake the obligation to:

1. Decline to accept for deposit checks and other non-cash instruments that are not properly endorsed, that bear restrictive endorsement legends, or that otherwise cause us to believe that accepting the item for deposit could cause Valley First a loss; and
2. Supply missing endorsements on checks payable to you and deposited to your account.

Items Payable to You Alone: We can accept these items for deposit to any account of which you are the Owner in our records, whether or not you have endorsed the item, and whether the account to which it is deposited is shown on our records as a joint account or single-owner account.

Items Payable to You OR One or More Other Persons: We can accept these items for deposit to any account of which any payee is an owner in our records, whether or not any of the payees have endorsed the item and whether the account to which the item is deposited is shown on our records as a joint account or a single-owner account. We interpret the mark "/" or any other ambiguity with respect to the drawer's intention regarding joint payees as "or."

Items Payable to You AND One or More Other Persons: We can accept these items for deposit to any account on which all payees are joint owners in our records, whether or not all payees have endorsed the item. We can also, if all payees have endorsed the item, deposit the item to any account of which any one of the payees is an owner.

Items Not Payable to You: If a check or other item is not payable to you but has been endorsed over to you by a third-party payee, we reserve the right to refuse to accept the item for deposit to your account or to require that the third-party payee's financial institution guarantee the third party's endorsement. If you deposit an item that is not payable to you or endorsed to you by the payee, you agree to defend, indemnify, and hold us harmless from any claims or losses we incur, and you may be subject to civil suit or criminal prosecution.

Improperly Endorsed or Unendorsed Items: We will have no liability to you for, and you agree to defend, indemnify, and hold us harmless from any claims to which we become subject as a result of our acceptance of an improperly endorsed or unendorsed item for deposit to your account, unless our negligence or misconduct is adjudicated to have caused or materially contributed to any associated loss you incur.

Deposit Restrictions

We impose no limit on the dollar amount of deposits you may make on any type of account except Certificate Accounts (refer to the Truth in Savings Disclosure). Federal tax laws limit amounts that may be deposited to IRAs and similar special purpose accounts that enjoy favored federal tax treatment; consult a tax advisor. We do not give advice about potential tax implications or penalties that could result from your deposits to tax-favored accounts.

We reserve the right but do not undertake the obligation to refuse to accept for deposit checks or other items that are stale dated (more than six months old), or appear to have been altered, or are

not made payable to you. However, we have no obligation to refuse items presented for deposit to your accounts and will not be liable to you or any third party for accepting items presented for deposit to your accounts.

Your Responsibility for Deposits

You agree to deposit only items that are properly payable to you and endorsed by you. When you deposit a check or other non-cash item, you warrant to us that you are entitled to enforce the item and you have no actual knowledge or reason to believe that the item has been subject to any forgery or alteration.

Our allowing your withdrawal of funds from a deposited item is not a representation or warranty by Valley First that the deposited item will be paid by the institution upon which it was drawn. Any statement by our staff to that effect should be interpreted as a guess or estimate only. Our staff does not have sufficient information or expertise to determine whether items drawn on other financial institutions are authentic or will be paid. If you have questions about whether an item you want to deposit to a Valley First account will be paid, you should ask the institution upon which the item is drawn.

You agree to defend, indemnify, and hold us harmless from any claims, damages, losses, liabilities, or expenses ("loss") to which we become subject as a result of our allowing either the deposit of an item to your account or the authorized withdrawal of funds from your account, except to the extent the loss was the result of our negligence or intentional wrongdoing. You acknowledge that we operate in an automated processing environment and, as a convenience to you, accept items for deposit through a variety of channels such as ATMs and Mobile Deposit that do not involve our physical examination of deposited items. You agree that our failure to physically examine items deposited to your accounts does not in itself constitute negligence.

Reversal of Credit for Deposits

If we receive an erroneous deposit, such as a duplicate direct deposit of net pay or a direct deposit of social security benefits after the payee's death, you agree that we can return the erroneous deposit to the payer without advance notice to you and deduct the deposit amount from the account balance.

If a non-cash item deposited to your account is lawfully returned unpaid by the institution on which it was drawn, or an electronic or wire transfer deposit to your account is lawfully reclaimed by the sender, you agree that we can return the amount of the deposit to the paying financial institution and deduct the amount from your account balance.

You waive protest and notice of dishonor for deposited items that are returned unpaid and for deposits that are reversed. However, we will attempt to notify you of reversed deposits as soon as practicable.

If any negative balance results from our lawful return or reversal of a deposit to your account, you agree to immediately make a deposit sufficient to restore the negative balance upon our demand. Your failure to do so will be deemed a material default in your financial obligations to us, and you agree that "Our Right to Recover What You Owe Us" will apply.

Withdrawals

Withdrawals from Valley First accounts can be made: (1) using your Valley First Debit Card at Valley First ATMs or other ATMs displaying logos of networks in which we participate, (2) by cash-back request as part of a merchant point-of-sale purchase at a Point-of-Sale (POS) terminal displaying a logo of a network in which we participate, (3) by a Valley First Debit Card at participating merchants and other institutions that honor the Debit Card for cash advance transactions, and (4) in person at Valley First locations and at participating Co-op Shared Branch℠ locations. We may make other withdrawal methods available in the future.

Payments to Merchants and Other Third Parties

Payments from your Valley First accounts to third parties can be made: (1) by writing a check on your Valley First Checking Account, (2) by giving your Valley First Debit Card to a participating merchant for a PIN- or signature-based point-of-sale purchase transaction, (3) by giving a merchant or other payee, such as a utility company, your Debit Card number (and in some cases, expiration date, security code and other identifying billing information) online, over the phone, or in writing and authorizing them to initiate a one-time or recurring purchase or payment entry, (4) via the Bill Payment and member-to-member account transfer features available through Valley First Online Banking and Mobile Banking, (5) via one-time or recurring ACH debit entry authorized by you in writing (unless ACH rules do not require written authorization), either with Valley First or the payment recipient, (6) via wire transfer, (7) via digital Person-to-Person payment services we make available, such as Apple Pay®, or (8) by a Valley First official check payable to a third party. We may make other payment methods available in the future.

Transfers

You can transfer funds among your own Valley First accounts: (1) in person at a Valley First or Co-op Shared Branch℠ location, (2) by authenticated telephone request to a Valley First staff member, (3) by using your Valley First Debit Card at Valley First ATMs and some third-party ATMs on networks in which we participate, or (4) by using Valleyline or Online Banking or Mobile Banking. We may make other transfer methods available in the future.

Withdrawal Limits

In this section, “withdrawal” includes withdrawals, payments, and transfers out of any account.

All withdrawals (including payments and outgoing transfers) are limited to the funds available in the account from which the withdrawal is initiated. On Checking Accounts only, overdraft protection from Overdraft Protection Plans or Standard Overdraft Practices may be available. Refer to the “Overdrafts” subsection of the “Checking Account Terms” section of this Handbook below for more information.
You can initiate as many withdrawals as you wish out of your Valley First Checking Account as long as you have available funds in the Checking Account or funds or credit available through an Overdraft Protection Plan available to cover them. You can initiate as many withdrawals as you wish out of your other Valley First accounts as long as you have available funds to cover them, but overdraft protection is not available on accounts other than Checking

Accounts. If we do inadvertently allow you to draw an account negative, you agree to immediately restore the account to a positive balance upon our oral or written demand.

We reserve the right to require from seven to sixty days' advance notice before permitting you to withdraw funds from any account other than a Checking Account.

The Truth in Savings Disclosure you receive at account opening will tell you withdrawal rules on Certificate Accounts. Accounts subject to special tax treatment such as IRAs may be subject to tax penalties for early withdrawals; consult a tax advisor for more information. You agree to comply with, and to defend, indemnify and hold Valley First harmless from, any claims, damages, losses, liability, or expenses arising out of your failure to comply with withdrawal restrictions imposed by any court order or third-party agreement (such as a marital property agreement) governing accounts you maintain with Valley First.

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 transaction processing or 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 completion of transactions or availability of funds, if Valley First in good faith determines the delay to be necessary to comply with applicable law and regulation or mitigate risk of loss.

Valley First may impose cash withdrawal limits at our reasonable discretion.

Minimum Balance Requirements

To open and maintain accounts, you must maintain any minimum opening balance and/or minimum balance specified in the applicable Truth in Savings Disclosure or Account Agreement. You must have the required minimum balance in a Valley First Share Savings Account to maintain membership to be eligible to open other Valley First accounts or apply for Vallely First loans.

Inactive Account Fee

Some accounts that have no member-initiated activity for a stated period of time may be subject to inactive account fees. If we impose inactive account fees, the current Fee Schedule will show fee amounts and conditions for imposition. Crediting of dividends and debiting of fees do not constitute member-initiated activity.

Closing Accounts

We have the right to close any account of yours for any lawful business reason on 10 days' written notice to you at your last known address. Reasons we can close your accounts include but are not limited to repeated presentment of debit transactions against insufficient funds, repeated deposit of items returned unpaid, misuse of accounts for "kiting" or other unlawful activity, Valley First loan payment default, or your breach of your agreements with Valley First. Any termination of your account will not affect our handling of regular transactions prior to the notice, provided that sufficient funds are on deposit to handle them. Certificate accounts that have a zero balance for 1 or more days

may be closed at our option. All other accounts that have a zero balance for 120 days or more days may be closed at our option.

We may close an account of yours without advance notice for any lawful reason, including but not limited to our reasonable belief that maintaining the account will cause us a loss or compromise Valley First security. If we do this, we will notify you as soon as practicable.

You can close your accounts and terminate your Valley First membership at any time. Closing of your accounts by you or us will not relieve you of any obligations incurred prior to account closing.

Prohibition on Pledging Funds

Funds deposited in Checking Accounts, Money Market Accounts, and accounts subject to special tax treatment such as IRAs are prohibited from being pledged as security for loans.

Non-Transferability of Accounts

Ownership of Valley First accounts cannot be transferred except by (a) closing the account and reopening it under different ownership or (b) with the written consent of all current Owners.

Checking Account Terms

The following terms apply to your Valley First Checking Account(s) and to checks you may be able to write on Money Market Accounts.

Governing Law

In handling checking transactions on Consumer Accounts including Fiduciary Accounts, we will abide by the Uniform Commercial Code as enacted in California (or your state of residence if required), Federal Reserve Board Regulations, and our Credit Union procedures, as revised from time to time.

Transactions

We will make payments on checks drawn on available funds in your Checking Account when signed by any person authorized on your Account Application. Debit Card purchases, cash advances and third-party payments, regardless of how authorized, are withdrawn directly from your Checking Account. We reserve the right, but do not undertake the duty, to refuse to pay any check that is missing the payee's endorsement. You can also make deposits and withdrawals as explained in the "Deposits, Withdrawals, Payments and Transfers" section of this Handbook.

Check Writing

Use only checks ordered from us and printed by our authorized check printer or from a printer of your choice who will print checks in a form approved by us. We may not pay checks that are not properly printed and formatted. We will have no liability to you or any third party for failing to pay checks that are not properly printed and formatted. Inspect all checks you receive for accuracy before using them. To reduce the risk of fraud, use indelible ink and completely fill in the lines for the payee and the written dollar amount, drawing a line through any unused space. Date and sign checks you write. Destroy any spoiled checks.

Stale-Dated Checks

We are under no obligation to pay a check on which the date is more than six months old. If we do pay it, we will not be liable to you for any related costs or damages unless you have given us a valid written stop-payment order on the check.

Post-Dated Checks

We will not be liable for paying a post-dated check unless you have provided a timely and valid stop-payment request and paid the applicable fee. A stop payment request must meet all of the requirements listed under "Stopping Payment," below. If we do pay a post-dated check over valid written notice of a post-dated check, we will only be liable for your actual damages. The maximum actual damage is the amount of the check.

Stopping Payment

To stop payment on any check before it has cleared your account, you must notify us orally, in writing, or by submitting a stop payment request through Online Banking or Mobile Banking and paying the required fee. We can require you to confirm any oral request in writing within 14 calendar days, or the oral stop payment request may lapse. A stop payment request submitted in writing or through Online Banking or Mobile Banking is valid for six months, after which it will lapse unless you renew it while it is still in effect. Stop payment requests will be processed promptly, but we will not be responsible for a check we pay within the first 24 hours after your request. You can request a stop payment form at any Valley First branch, through our Call Center, or via online chat.

Your stop-payment request must include your account number and your check number. If the check number or account number you give us is incorrect, our automated system may not be able to find the check or stop the payment. We will not be liable for failing to stop payment if the information you provide us does not describe the check accurately enough for us to find and stop it.

If we do not carry out a timely, accurate stop-payment instruction, we are not required to reimburse you if the check discharged your valid obligation. If we do reimburse you, you assign to the Credit Union all claims against the person who cashed the check for the funds, and you agree to cooperate with our efforts to recover the funds. If you do not provide reasonably requested cooperation (such as refusing to assist in our pursuit of civil litigation against the person who cashed the check), we may deem the transaction to have been the result of your apparent consent and not credit your account.

You can also stop payments on certain types of EFTs, such as ACH payments and online bill payments, if you notify us in time. Refer to the "ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE STATEMENT" section of this Handbook for more information.

Lost or Stolen Checks

You agree to notify us immediately upon the discovery of the loss or theft of your checkbook or of any number of blank checks. We recommend, and reserve the right to require, that you close your account and re-open it under a new number because of the risk of unauthorized use of your account that arises after your checks have been out of your possession.

Overdrafts

If you do not have **sufficient available funds** in your Checking Account to cover a debit transaction, an overdraft will be created. Overdrafts will be handled as explained here. The terms of this *Overdrafts* section of this Handbook do not apply to checks written on Valley First Money Market Accounts.

For purposes of this discussion of overdrafts, the following definitions apply:

- "**Available balance**" or "**available funds**" means the amount of money that you can withdraw from your account at the time a debit transaction is presented for payment. It is possible that not all funds on deposit in your account will be available funds. For example, amounts from non-cash deposits on which the hold has not yet been released and merchant debit card holds are excluded from your available balance. Other funds in your account may also be subject to hold and not be available for you to withdraw. See the "FUNDS AVAILABILITY" section of this Handbook for general rules about when funds from non-cash deposits to your accounts will become available funds.
- "**Actual balance**" means the total amount of money on deposit in your account. Unlike the available balance, the **actual balance i**ncludes funds subject to holds.

We can pay debit entries presented against your Checking Account in any order consistent with applicable law. We generally pay items in the order in which they are presented to us for payment in real time. If multiple items are presented in a single batch on the same day, we pay them in the order presented.

We do not control when merchants, third parties who initiate ACH payments out of your accounts, payees of checks you write, or others present items to us for payment. There may be a delay between when a payment is initiated (such as when your merchant purchase is approved or you initiate an Online Banking or Mobile Banking bill payment) and when it is actually presented to Valley First for payment and we determine your **available balance.** If we approve a merchant debit card purchase based on your **available balance** at the time we are asked to approve it, but your **available balance** is insufficient when the transaction is presented for payment, we will charge a paid NSF fee. (Note, we do not charge paid NSF fees on everyday debit card transactions such as merchant purchases unless you have opted into the service.)

The **available balance** or **actual balance** when a debit transaction on your Checking Account is paid may differ from the balance you see when you view your account through Digital Banking Services or your checkbook balance. Items that are processed on your account between the time you initiate a Checking Account debit transaction and the time it is presented to us, such as fees assessed, ACH deposits, or additional debit card transaction holds, can affect both your **available balance** and your **actual balance**.

To minimize the risk of overdrafts, keep careful track of all Checking Account activity. To minimize potential fees associated with overdrafts, you may be able to establish a Valley First Savings or Money Market Account or Line of Credit as an Overdraft Protection Plan. The costs associated with Overdraft Protection Plans are considerably lower than if we apply Standard Overdraft

Practices to pay the item or we return the item for insufficient funds. If we return or decline an item presented against insufficient funds, the party to whom the payment was to be made may charge you late fees or returned payment fees in addition to any returned non-sufficient funds (NSF) fee that Valley First charges.

Overdrafts will be paid by an Overdraft Protection Plan or Standard Overdraft Practices only on Checking Accounts. Any debit transaction presented against insufficient funds on a Savings or Money Market Account will not be paid. Standard Overdraft Practices are not available for Business Accounts and on some Fiduciary Accounts.

Overdraft Protection Plans

You can establish Overdraft Protection Plans for your Checking Account(s) by authorizing overdraft protection transfers from an eligible overdraft source, such as your Savings or Money Market Account, or signing up for overdraft protection advances from a Valley First open-end credit plan if available under the credit plan's terms. As long as you have available funds or credit in your designated Overdraft Protection Plan source(s) and are not in default on any of your obligations to us, the overdraft will be paid and your Checking Account balance will not be negative.

We will decide whether to transfer or advance funds from your Overdraft Protection Plan source(s) based on the **available balance** in your Checking Account at the time a debit transaction is presented to us for payment. If your **available balance** is insufficient to pay the debit transaction and you have funds or credit available in your Overdraft Protection Plan source(s), we will transfer or advance funds to cover the overdraft.

If you designate more than one Overdraft Protection Plan source, we can choose which source(s) to access in any order. Overdraft Protection Plans cover all Checking Account debit transactions.

1. **Overdraft Protection Plan funds transfers** from Savings or Money Market Accounts will be available whether you authorize them orally or in writing. Overdraft Protection Plan account transfers will be in an amount sufficient to cover the overdraft and will not be available if the transfer would cause you to fall below any required minimum balance on the source account.
2. **Overdraft Protection Plan credit advances** require that you apply for and be approved for an open-end credit plan and designate the open-end credit plan as an Overdraft Protection Plan source. You can designate the open-end credit plan as an Overdraft Protection Plan at any time by notifying us in writing that you want the open-end credit plan to be an Overdraft Protection Plan source. Any Overdraft Protection credit advance will begin to accrue finance charges as soon as it posts. Refer to the current version of the applicable credit plan agreement for details. Overdraft Protection credit advances will be in an amount sufficient to cover the overdraft and will not be available if making the advance would cause you to exceed the credit limit on the credit plan.

Standard Overdraft Practices

All eligible checking accounts will be automatically enrolled in our Standard Overdraft Practices. Accounts excluded from this service

include business accounts, accounts for minors, and certain specialty accounts. If you have a checking account on which this service is available, you can opt out of the service. See HOW TO CONTACT US at the end of this Handbook.

Standard Overdraft Practices, apply to checks, ACH debit entries, Digital Banking payments, and recurring pre-authorized Debit Card payments. Only if you opt in, Courtesy Pay will apply to ATM and everyday Debit Card transactions.

If you have not set up an Overdraft Protection Plan or if neither funds nor credit is available under your established Overdraft Protection Plan, under Standard Overdraft Practices, Valley First may, at our sole discretion: (a) pay a debit transaction, such as a check or Online Banking or Mobile Banking payment presented on your Checking Account that does not have sufficient **available funds** to cover ("paid NSF") and charge a fee for doing so (up to a maximum of seven (7) fees per day), (b) return it if it is a check or ACH payment, in which case we may charge a Returned NSF Item fee, or (c) decline the payment, in which case no fee will be charged. (Refer to our Fee Schedule for current Paid NSF and Returned NSF Item fees)

1. Whether we may assess a fee to pay items under Standard Overdraft Practices depends on your **available balance** at the time we pay or return the item.
2. We may assess a Returned NSF Item fee if we return a check or ACH payment when you do not have sufficient **available funds** at the time we elect not to pay it. If we decline to pay other Checking Account transactions against insufficient funds, no fee will be charged**.** If a check or ACH payment is presented against insufficient available funds more than once, we may charge a Returned NSF Item fee each time it is presented.
3. Payment of debit transactions under Standard Overdraft Practices is never guaranteed. Unless you have an Overdraft Protection Plan in good standing with available funds or credit, we can return unpaid or decline any debit transaction that would cause your Checking Account to fall below a zero balance at the time of payment. If we do pay rather than return an NSF item, you must deposit an amount sufficient to restore your Checking Account to a positive balance within 30 days. Standard Overdraft Practices payment of overdrafts may not be available in the following situations: (a) your Checking Account is less than 30 days old; (b) your Checking Account does not receive regular deposits; (c) any Owner of the Checking Account is in default on any obligation to us; (d) in our sole judgment, you have initiated too many Checking Account withdrawal transactions against insufficient funds; (e) there are legal orders pending against any Valley First account of yours; (f) payment of the item would result in a negative balance in excess of any limit we set internally; or (g) the transaction is an ATM transaction or everyday Debit Card transaction and you have not opted into our paying such items against insufficient funds.
4. You can change your Standard Overdraft Practices elections at any time by notifying us. If you prefer to opt out of Standard Overdraft Practices in all cases, notify us orally or in writing. Any check or other debiting (payment) entry presented against insufficient funds in your Checking Account will be returned unpaid or declined

unless you have funds or credit available from an Overdraft Protection Plan. In making this election, you should consider that your payees may charge late payment or returned payment fees in addition to the Returned NSF Item fee that we will assess.

5. Even if you have an Overdraft Protection Plan or use Standard Overdraft Practices, Valley First can close your Checking Account without prior notice for repeated overdrafts or for your misuse of the account such as check "kiting."

ACH Representment of NSF Items

If a check you wrote on a Valley First Consumer Account is returned unpaid due to insufficient funds, or a check on another consumer's account that you deposit to a Valley First account is returned unpaid by the institution on which it was drawn due to insufficient funds, the check may automatically be represented through the ACH system. To qualify for representment, the check cannot have been presented for payment more than twice previously and must meet other Valley First and ACH representment criteria as amended from time to time. In addition, the face of the check must indicate that the item was returned NSF, and the check must not be altered or forged.

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

Check 21 and Substitute Checks

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

As a result of Check 21, many checks you write will be processed electronically, with the result that checks you write can clear in a matter of minutes or hours, rather than days. You should not write checks intending to make deposits to cover them later unless you plan to rely on an Overdraft Protection Plan.

Preauthorized Drafts

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

FIDUCIARY ACCOUNTS

General Terms

Fiduciary accounts require separate applications and may be subject to additional documentation requirements. For more

information about Fiduciary Accounts, ask a Valley First representative.

The following Fiduciary Accounts may be established:

1. A revocable trust account where the member established the trust (generally called “settlor,” “grantor,” or “trustor”) retains the power to revoke the trust
2. An irrevocable trust where the member was the settlor or is the current Beneficiary;
3. A conservatorship account where the member is the Conservatee;
4. A guardianship account where the member is the Ward;
5. An account for the estate of a deceased member;
6. A Uniform Transfers to Minors Act (UTMA) account where the member is the minor Beneficiary; or
7. A Social Security or Veterans Affairs benefits representative payee account where the member is the Beneficiary.

The singular implies the plural if there is more than one Fiduciary or Beneficiary.

For security reasons, we generally do not permit a Fiduciary to establish Valley First membership on behalf of incapacitated adults who were not members prior to establishment of the fiduciary relationship. Parents or legal guardians may be permitted to establish membership on behalf of their minor children, either through a joint account with the minor child as a member, a guardianship account, or a UTMA account.
If an Owner appoints an attorney-in-fact using a valid power of attorney, that attorney-in-fact will, upon request to us, be added to the Owner’s account(s) with the designation “POA,” consistent with the powers enumerated in the power of attorney document. Unless the power of attorney limits the attorney-in-fact to specific transactions that we can monitor, the attorney-in-fact will, subject to legal limits, be able to conduct all transactions on the account that the Owner can conduct. The attorney-in-fact will not, however, acquire an ownership interest in the account. Appointment of an attorney-in-fact will not relinquish any Owner’s control of the account unless we receive documentation that the Owner’s incapacity has been established under the standards in the power of attorney.

A Fiduciary who is already a Member may establish Fiduciary Accounts where they are also the Beneficiary of the fiduciary relationship (common with revocable trusts) without reapplying for membership.

All Fiduciary Accounts are subject to Customer Identification Program requirements.

Other than accounts with POAs, on which both the Owner(s) and the Fiduciary retain control unless otherwise stated in the POA documents, Fiduciary Accounts will be subject to the control of the persons named as current fiduciaries under the governing trust agreement or court order. In general, more than one person can act as Fiduciary at the same time, though this is prohibited on UTMA accounts.

We cannot and do not monitor compliance with express or implied multiple signature requirements in trust agreements, powers of attorney, court orders, or similar documents. Any Fiduciary is responsible for complying with multiple signature requirements and expressly agrees to defend, indemnify, and hold Valley First harmless from any claims, damages, losses, liability, or expenses resulting from non-compliance with multiple signature requirements.

We reserve the right to refuse to open a Fiduciary Account if we have reason to believe we will be unable to comply with requirements imposed by court orders or other documents establishing the fiduciary relationship.

Each Fiduciary agrees to comply with all terms of all Valley First agreements governing services provided to them in their fiduciary capacity and to the Beneficiaries of their fiduciary relationships.

Each Fiduciary agrees to defend, indemnify, and hold Valley First harmless from any claims, damages, losses, liability, or expenses resulting from the manner in which they handle the proceeds of Fiduciary Accounts unless we fail to comply accurately with instructions provided by Fiduciary. If we do fail to comply accurately with instructions of a Fiduciary, our liability will be limited to actual damages not to exceed the amount of the transaction. We do not act as a fiduciary or monitor any Fiduciary's compliance with their legal duties to the Beneficiaries of fiduciary relationships.

Valley First Bylaws and procedures, this Handbook, the current Truth in Savings Disclosure and Fee Schedule, and applicable law, as amended from time to time, govern all transactions on Fiduciary Accounts opened using the Valley First Fiduciary Account Application and Agreement.

Valley First has no obligation to independently verify the authenticity of documents presented to establish any Fiduciary's appointment or authority.

The Fiduciary agrees to notify Valley First if their authority is terminated by the substitution of another person to act in the Fiduciary's place, such as by a written modification to a trust substituting another person to act as Trustee or by court order. Valley First has no duty to independently verify the authenticity of documents terminating a Fiduciary's authority.

Valley First may honor a Fiduciary's instructions on the account(s) until notified in writing of termination of authority as Fiduciary.

Valley First has no duty to honor requests regarding the account by any person other than: (1) a Fiduciary of whose authority Valley First has actual written notice (2) a court of competent jurisdiction; or (3) a current beneficiary of the fiduciary relationship (who may obtain information but may not give instructions on the account unless they are both beneficiary and fiduciary). Conflicting court orders will prevail over the instructions of any Fiduciary.

Each Fiduciary warrants that all actions on the account(s) will be consistent with the fiduciary obligations to act at all times in the best interest of the Beneficiary of the fiduciary relationship. Fiduciary will at Fiduciary's expense defend, indemnify, and hold Valley First harmless from any and all claims, suits, or liability of any kind directly or indirectly resulting from our handling of transactions on the account(s) consistent with the Fiduciary's instructions or the instructions of a court of competent jurisdiction.

The Fiduciary will provide all instructions regarding the accounts to Valley First indicating the fiduciary capacity. For example, if a conservator, the Fiduciary will sign checks (if a Checking Account is opened) "*Fiduciary Signature,* Conservator of the Estate of NAME OF CONSERVATEE." Readily understandable abbreviations may be used to accommodate space constraints.

Valley First has the right to refuse to honor Fiduciary instructions if they appear to be uncertain or incomplete, the signature does not appear to be authentic, or if Valley First reasonably believes following the instructions would violate applicable law or cause Valley First to incur a loss. If this happens, Valley First will generally notify the Fiduciary in writing and may require further verification from the Fiduciary.

The Fiduciary is solely responsible for filing any reports, forms, or tax documents required by law with respect to the funds in the account(s) and the disposition of funds in the account(s).

Valley First has no obligation to inquire into the validity of the fiduciary relationship, the Fiduciary's authority, or the disposition of funds in the account(s). Payment of funds in the account(s) to any person or entity at the Fiduciary's request consistent with the Fiduciary's instructions will release and discharge Valley First from all liability to the Fiduciary, to the Beneficiary of the fiduciary relationship, or to any third parties who claim an interest in the funds.

The Fiduciary warrants having read and understood the Fiduciary Account Application and Agreement and received a copy of it. The Fiduciary warrants having the authority to open the account(s) in the designated fiduciary capacity and agrees to abide by all terms applicable to Valley First Fiduciary Accounts set forth in this Handbook and other documents governing the account(s).

The Fiduciary understands that Valley First operates in an automated processing environment and cannot monitor compliance with court orders, trust agreements or the like as to multiple signature requirements or any other restrictions or requirements as to use of funds in account(s) opened in a fiduciary capacity. The Fiduciary agrees that the Fiduciary has sole responsibility for ensuring compliance with such requirements and agrees, at Fiduciary's expense, to defend, indemnify, and hold Valley First harmless from any claims, damages, or liability arising from failure to obtain required signatures or otherwise comply with restrictions and requirements set forth in documents or other agreements or understandings establishing the Fiduciary's responsibilities.

Any change in the account(s) must be in writing and pursuant to: (a) written instructions by the Beneficiary of the fiduciary relationship if they have capacity to act, (b) written instructions by all current acting Fiduciaries, or (c) a court order.

Terms Specific to Uniform Transfers to Minors Act Accounts

To open a Uniform Transfers to Minors Act (UTMA) Account, a special UTMA Account Application and Agreement ("UTMA Agreement") must be completed. The person making the gift to the minor is called "Transferor." In some cases (such as when a court awards money to a minor) a UTMA may be established without a Transferor. The application must designate a First Custodian to handle the funds for the minor's benefit. The First Custodian may

be the Transferor or another adult. A Successor Custodian is permitted but not required to be named on the UTMA Agreement. The First Custodian named on the UTMA Agreement and (if any) Successor Custodian agree that the UTMA account will be subject to the following terms and conditions in addition to other provisions in this Handbook that apply to the type(s) of account(s) opened. The term "Current Custodian" refers to the Custodian who is acting as Custodian at any time the UTMA account is open. The term "UTMA Beneficiary" refers to the minor to whom the gift is made.

1. Custodian (including any named Successor Custodian) agrees that the account established under the UTMA Agreement will be subject to the California Uniform Transfers to Minors Act (or the Uniform Transfers to Minors Act in effect in the state in which the minor resides at account opening) ("the Act") and the following terms and conditions, in addition to the terms of this Handbook, the Truth in Savings Disclosure (including Fee Schedule), and the Bylaws of Valley First.
2. The Current Custodian will hold all of the proceeds in the UTMA Account, including dividends and subsequent additions to the account, in accordance with the Act for the named Minor. Any funds placed in the UTMA Account shall be an immediate and irrevocable gift to the Minor.
3. Consistent with the Act, Valley First will permit only one Custodian on the UTMA account at any time, and even then, only during the minority of the Minor (not to exceed age 21 in most cases). The Minor is the Beneficiary of the UTMA. The Current Custodian shall be: (a) the Custodian signing this Agreement, or if the Custodian resigns, dies or becomes incapacitated before the Minor reaches the termination age specified for the UTMA account (b) (i) the Successor Custodian named by the Transferor, or if the Transferor named no Successor Custodian, (ii) the Successor Custodian named by the Custodian, or (iii) if neither the Transferor nor the Custodian name a Successor Custodian, a Successor Custodian designated in accordance with the Act.
4. Valley First will permit only the Current Custodian to withdraw funds from the UTMA Account. By withdrawing funds, the Current Custodian represents and warrants to Valley First the withdrawal is made solely on behalf of and for the benefit of the Minor. If the UTMA Account is established by a court order indicating that no withdrawals shall be made until the Minor reaches a specified age, no withdrawals will be allowed unless the court later orders otherwise. By opening a UTMA Account, the Transferor or Custodian certifies under penalty of perjury that a copy of any court order associated with the UTMA Account has been provided to Valley First and agrees to comply with the terms of the court order. The Current Custodian agrees to defend, indemnify and hold Valley First harmless from any claim or liability to any person that results from any alleged or actual improper withdrawal from the UTMA Account or any failure to comply with any court order related to the UTMA Account.
5. The Current Custodian agrees to expend for the Minor's exclusive benefit as much of the funds in the UTMA Account as the Current Custodian, in their discretion, finds advisable for the support, maintenance,

education, and benefit of the Minor, without regard to the duty or ability of anyone to support the Minor or any resources that might be available for such support.

6. The UTMA Account shall terminate automatically when the Minor reaches the age specified on the UTMA Application. At that time the balance of the UTMA Account shall be distributed to the Minor. This election is irrevocable and governed by the Act. The Custodian, not the Credit Union, is responsible for distributing funds to the Minor at account termination.
7. If the Minor dies before reaching the termination age specified in the UTMA Agreement, the funds shall be a part of the estate of the Minor and distributed as required by law. The Current Custodian agrees not to withdraw funds from the UTMA Account following the death of the Minor unless court approval has been obtained and a copy of the court's approval provided to Valley First, or the account is eligible for distribution outside probate under applicable state law.
8. The Current Custodian waives any right to compensation for serving as Custodian of the UTMA Account.
9. The Current Custodian agrees to defend, indemnify, and hold Valley First harmless from any claims, suits, or liability directly or indirectly resulting from Valley First's handling of the UTMA Account consistent with the authenticated instructions of the Current Custodian.
10. Valley First can refuse to honor the Current Custodian's instructions if they are uncertain, the signature appears inauthentic, or Valley First reasonably believes following the instructions would violate applicable law or could result in a loss to Valley First]. Valley First will generally notify the Current Custodian if Valley First refuses to honor the Current Custodian's instructions.
11. **Valley First does not provide legal, tax, or financial advice. Any legal, financial, tax or other questions regarding the UTMA Account should be directed to a qualified legal, tax, or financial advisor of the Current Custodian's choosing.**

CREDIT UNION OFFICIAL CHECKS

If you obtain an official check drawn on Valley First (which may also be called a teller check or cashier's check), we are generally guaranteeing the payment of the check. For that reason, we will only accept a request for a refund or replacement after we receive a written declaration under penalty of perjury that the check has been lost, stolen, or destroyed. The declaration must be signed by you, and in some cases, by the payee of the check.

If we receive the refund or replacement request after the check has cleared, we will not be responsible for the loss.

We will generally not issue a refund or replacement check until 60 days after the date of the original check. Any earlier refund or replacement will be made solely as a courtesy, and we may require you to post a lost instrument bond.
Once we have issued a refund or replacement check, we are discharged from further liability. If a holder in due course presents the original check, you must pay the proceeds of the original check to the holder or to us (if we are required to pay the original check). If you fail to meet this obligation, you agree that "Our Right to

Recover What You Owe Us" applies. If we cannot recover our loss by exercising "Our Right to Recover What You Owe Us," you agree that we can recover our reasonable attorney's fees and costs of suit if we take legal action to collect what you owe.

WIRE TRANSFERS

This section of the Handbook covers wire transfers Valley First receives and sends on your behalf. Wire transfers are subject to applicable law and regulation including but not limited to the law of the State of California, Federal Reserve Regulation J and Article 4A of the Uniform Commercial Code. Refer to the "ELECTRONIC FUNDS TRANSFER SERVICES DISCLOSURE" section of this Handbook for information about consumer fund transfers conducted via the ACH network. If Remittance Transfer Rules apply to an international funds transfer for personal, family, or household purposes, you will receive a disclosure to that effect when you initiate the transfer.

Wires sent and received will be reflected on your periodic account statements. You agree to report any errors or unauthorized activity within 14 days. If you do not report an error or unauthorized wire within 30 days after we send you the statement on which it appears, we will not be responsible for any resulting loss. With respect to international wires, you may have a longer time to report errors or unauthorized activity. You will receive a disclosure of any international wire dispute rights that exceed these time limits when you initiate a wire to which extended reporting rights apply.

We reserve the right to select the payment network through which we will carry out your funds transfer instructions as long as our choice is reasonable. We will not be liable for damages to you or to any third party as long as we accurately carry out in a reasonable manner the wire transfer instructions we receive from you if we send a wire on your behalf or from the sending institution if we receive a wire on your behalf.

Wire transfers can be lost, misdelivered, or delayed due to circumstances beyond our control. You assume such risk and agree that we will have no liability to you or any third party as a result of errors, interruptions, or delays in wire transmission except to the extent they arise from our gross negligence or intentional misconduct. We will not be liable to you for errors by other institutions involved in the processing of wire transfers.

We 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 they may occur. Our maximum liability will be the amount of the wire transfer and any fees, interest, or dividends we are required to pay under applicable law, regulation, or rule of the funds transfer system used to process the wire.

Wire transfer instruction errors may delay the receipt of wires.

We can refuse to carry out or delay carrying out wire transfer instructions and have no liability to you or any third party for doing so if we have reason to believe:

1. The instructions are unclear or are not authentic;
2. Carrying out the instructions could cause the Credit Union a loss;
3. The transaction violates federal or state law; or

4. We are notified by the Office of Foreign Assets Control or any other governmental body exercising its lawful jurisdiction that we must block or prohibit the transaction.

Fees apply to wire transfers. Refer to the Valley First Fee Schedule.

Wire Transfers We Receive

We will carry out the terms as transmitted by the sending financial institution. We have no obligation to correct erroneous spelling or account numbers. We will follow account numbers, not names, in posting incoming wires, unless we have actual knowledge that the name and account number do not match. If we have actual knowledge that the name and account number do not match, we may, at our option, post the wire according to the account number or return the wire to the sending institution.

We will not be responsible for any direct, indirect, or consequential claims, damages, losses, or liability that you allege occurred due to a failure to post a wire to your account if the failure was due to an error in the name, routing number or account number provided by the sender, or an inconsistency between the name and account number provided by the sender. We are responsible only for our failure to accurately comply with the instructions provided by the sender, and our liability is limited to the amount of the wire. We will not be liable for any alleged consequential, indirect, or punitive damages resulting from our error, such as alleged lost business opportunities or harm to your credit standing.

Unless a specific account is indicated, we will post wired funds to your Checking Account if you have one or to your Savings Account if you do not have a Checking Account.

If we receive an erroneous wire to your account, the sending party can reverse the transaction and the amount of the wire will be deducted from your account. We will notify you if this happens, and you agree to immediately restore any resulting negative balance upon our demand. If you do not do so, you agree that "Our Right to Recover What You Owe Us" applies.

You agree that we are not required to provide notice to you if we receive a wire transfer on your behalf. It is your responsibility to confirm that funds you expect to receive via wire transfer are posted to the appropriate account. You may telephone us (see "HOW TO CONTACT US" at the end of this Handbook), visit any Valley First Branch, or use Digital Banking Services like Valleyline, Online Banking, or Mobile Banking to review account activity.

Wire Transfers We Send

We can process wire transfers from your accounts and will carry out your instructions upon receipt of your request. The wire transfer request cutoff time is 12:30 p.m. Pacific Time for domestic wires and 11:30 a.m. Pacific Time for international wires. Outgoing wire transfer requests received after the cutoff time will be processed on the next business day. A wire transfer form is required for each request. Funds must be available in the account you designate as the source of the wire to cover the transfer amount plus any applicable fees. We can select any conventional means for processing your wire transfer. Except for certain types of international wires, wire transfer orders do not apply to funds transfers taking place through the Automated Clearing House

system. Once a wire has been sent, it generally cannot be amended or canceled and is considered irrevocable.

We can rely on any information furnished on the wire transfer form with respect to the recipient, the receiving financial institution, and any correspondent bank. We have no obligation to correct erroneous spellings of names or erroneous account numbers in sending wire transfers. You understand and agree that if you provide a bank name and identifying number that do not match, or a recipient name and account number that do not match, we and any other entity involved in processing your wire are entitled to rely on the number only and will have no obligation to you or any third party to confirm that the name and number match.

We reserve the right, but do not undertake the obligation, to refuse to complete a wire transfer request if we receive an incomplete wire transfer request form. If you or your intended recipient give us additional information or documentation, we may use it to validate your instructions, but we cannot be held liable if the information does not match your instructions on the wire transfer form. You agree to defend, indemnify, and hold us harmless from any costs we incur as a result of carrying out instructions on your wire transfer form, including unanticipated costs we incur. Any such costs that you do not reimburse immediately upon our request will be subject to "Our Right to Recover What You Owe Us."

We may, as an accommodation to you, attempt to assist you in identifying routing and correspondent or intermediary bank numbers for your wire transfer recipients. However, any such assistance is provided as an accommodation to you only. We will not be responsible for any errors.

Security Procedures

We may establish security procedures to verify the authenticity of any wire transfer. By submitting a wire transfer, you confirm your agreement that these security procedures are reasonable. You will be notified of the security procedure, if any, to be used to verify wire transfers authorized by you or for which your account will be liable.

Your wire transfers may be delayed if you give us erroneous information or if you have not kept current your contact information that we maintain in our records. They may be further delayed if we are unable to perform our security procedures due to no fault of ours.

Remittance Transfers

Remittance transfers are consumer electronic transfers of funds outside the United States whether initiated via the ACH system or a wire transfer. They are governed by Consumer Financial Protection Bureau Regulation E and other laws and regulations governing wire transfers. When you initiate a remittance transfer, you will receive a written disclosure required by law. That disclosure will, among other things, explain how you can cancel a remittance transfer before it is sent and the time you have to do so. The disclosure will also include information on dispute resolution and applicable timeframes for disputes.

FUNDS AVAILABILITY POLICY

Your Ability to Withdraw Funds at Valley First

If you deposit a non-cash item (such as a check) drawn on another financial institution, there is always a delay before the item is presented to the institution on which it is drawn and we receive payment. Therefore, funds from your deposits will not always be available to you immediately. Our policy is to delay the availability of your non-cash deposits and cash deposited to a Night Depository or Express Deposit Box. During the delay, you may not withdraw the funds in cash, and we will not use the funds to pay checks, ATM or debit card withdrawal or payment transactions, or electronic payment entries (such as preauthorized payments, online bill payments, or payments initiated through third parties such as PayPal®, Apple Pay® or Google Pay™) presented against your account.

If you need funds from your deposit right away, you should ask us when the funds will be available. Based on your relationships with Valley First, you may qualify for immediate access to funds from some or all of your deposits. Among the many factors we may consider at our discretion are the following:

- The frequency and amount of direct deposits to your Valley First accounts
- Your average account balances
- Whether you have a loan or credit card with Valley First
- The activity on your Valley First Checking Account

We reserve the right to delay availability of your non-cash deposits for the maximum time allowed by law and the rules of the payment systems in which we participate. This policy sets forth our typical hold periods.

All credits for deposits are provisional until we receive final payment from the institution on which the item is drawn. Even if we make funds available to you for a deposited item, if the paying institution lawfully returns the item unpaid or lawfully reverses an electronic direct deposit or wire transfer, we can deduct the amount of the deposit from your account balance, and you will be liable to us for any resulting negative balance.

Determining the Availability of a Deposit

When we say funds from a deposit will be available a certain number of days from the date of your deposit, the delay is counted in business days. Our business days are every day except Saturdays, Sundays, and federal holidays. If you make a deposit before the stated cutoff time on a business day, we will consider that to be the date of your deposit. If your deposit is received on a non-business day or after our cutoff time on a business day, the next business day will be considered the date of your deposit. The date of deposit will be the business day we receive it in the case of a mailed deposit.

Our cutoff times are as follows:

- ATMs: 11:59 Pacific time
- In-Branch: Prior to the posted branch closing hour for the business day (except Saturdays, which are non-business days for purposes of this policy even though some of our branches may be open and accept deposits on Saturdays)
- Express Deposits: Collected at 4:30 p.m. (Pacific Time) Monday-Friday and 1:00 p.m. on Saturday; credited the next business day.

If you make more than one deposit on a single business day, all of your deposits on that date will be added together for purposes of determining funds availability.

Same-Day Availability

Funds from electronic direct deposits, wire transfers, and cash deposited in person to a Valley First employee will be available for you to withdraw on the business day we receive the deposit, as will the first $275 of a deposit of "Other Checks" (see "Other Check Deposits" below). Electronic deposits are considered received when we have received *both* information on the account and amount to be credited *and* finally collected funds. All cash deposited into Valley First ATMs and Non-Proprietary ATMs is available immediately.

Next-Day Availability

Funds from the following deposits will be available to you the first business day after the date of your deposit:

- U.S. Treasury checks payable to you
- Checks drawn on Valley First Federal Credit Union and payable to you
- Cash not deposited in person to a Valley First employee (e.g. Night Depository, Express Deposit Box)

If you make the following types of deposit in person to a Valley First employee, funds from the following deposits will also be available on the first business day after the date of your deposit:

- State and local government checks payable to you
- Cashier's, certified and teller's checks payable to you
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders payable to you.

Second-Day Availability

If you do not deposit the following items in person to a Valley First employee (for example, if you mail the deposit or deposit it in an ATM), funds from the following deposits will be available the second business day after the date of your deposit:

- State and local government checks payable to you
- Cashier's, certified, and teller's checks payable to you
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders payable to you
- The amount in excess of the first $275 of other checks (see "Other Check Deposits" below)

Other Check Deposits

The first $275 of a deposit of other checks will be available on the business day of deposit. The remaining funds will be available the second business day after the date of deposit. For example, if you deposit a $700 check on Monday, the first $275 will be available Monday and the remaining $425 will be available Wednesday. If you deposit a total of more than $6,725 in checks in a single day, the availability of the amount in excess of $6,725 may be subject to a longer delay. See "Longer Days May Apply" below.

Longer Delays May Apply

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

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid;
- You deposit checks totaling more than $6,725 on any one day;
- You redeposit a check that has been returned unpaid;
- You have overdrawn your Account repeatedly in the last six months; or
- there is an emergency, such as failure of computer or communications equipment.

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

Mobile Deposit Services

Deposits made through mobile deposit services are subject to separate terms and conditions, including cutoff times and funds availability policies described in the Mobile Deposit Agreement.

Special Rules for New Accounts

If you are a new member of Valley First, the following special rules will apply during the first thirty (30) days your account is open. Funds from electronic direct deposits and wire transfers will be available on the business day we receive them. Funds from deposits of cash 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 date of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over $6,725 will be available no later than the ninth business day after the date of your deposit. If your deposit of these checks (other than U.S. Treasury checks) is not made in person to a Valley First employee, the first $6,725 will not be available until the second business day after the date of your deposit. Funds from all other check deposits will be available no later than the ninth business day after the date of your deposit.

Location of Check Endorsements
Federal law requires all check endorsements to be in the first 1½ inches of the trailing edge of 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.

FEES

Refer to our current Fee Schedule for fees that can apply to Valley First accounts and information about how to qualify for waivers of certain fees.

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE STATEMENT

This Section applies to any electronic funds transfer service offered by Valley First. This section sets forth your rights and obligations as a user of Valley First's electronic funds transfer services. It is also a statement of Valley First's rights and obligations as a provider of electronic fund transfer services.

Digital Banking Service EFTs – Access to Your Accounts Anywhere, Anytime

Description

Valley First's Digital Banking Services allow you to access your accounts, transfer funds, and initiate payments, 24/7, from anywhere in the world. You can access Valleyline by touch-tone telephone and Online Banking and Mobile Banking by personal computer with internet access or internet-enabled smart mobile device such as a mobile telephone, tablet, or virtual assistant. Please note, services marked with an asterisk (*) in this section are available via Digital Banking Services but are not Electronic Funds Transfers or subject to the Electronic Funds Transfer Act or Consumer Financial Protection Bureau Regulation E.

Valleyline Automated Telephone Banking

Setup

At your request, we will assign an Authorized Person a unique and confidential Valleyline PIN. You will be able to change your Valleyline PIN to one of your own choosing. You will be able to use your Valleyline PIN, along with your member number and a touch-tone phone to access Valleyline Phone Banking.

Available Valleyline Phone Banking Services

By dialing the Valleyline dedicated phone number from a touch-tone phone, keying in your Valleyline, and following the prompts, an Authorized Person can:

1. Obtain loan and account balances*;
2. Obtain loan payment due and loan payoff information*;
3. Obtain last divided paid date and amount*;
4. Find out if a check has cleared*;
5. Request a withdrawal from your savings or checking account in the form of a check mailed to you at your address in our records;
6. Transfer funds between your savings and checking accounts;
7. Request a loan advance from your Valley First line of credit in the form of a deposit to your Valley First savings or checking account;
8. Transfer funds from your savings or checking account to pay your Valley First loan; and
9. Activate or cancel Debit Cards*.

Online Banking and Mobile Banking

Setup

With your personal computer or internet-enabled smart mobile device you can enroll in Online Banking or Mobile Banking to gain access to most accounts on which you are an Authorized Person. To enroll, go to our website, www.valleyfirstcu.org, and follow the Online Banking enrollment instructions. Online Banking enrollment will give you automatic access to Online Banking transfers, Mobile Banking, and Text Banking, but you must download the Valley First Mobile Banking application (App) to use Mobile Banking and enroll your mobile device in Online Banking to use Text Banking.

Available Online Banking and Mobile Banking Services

Within Online Banking and Mobile Banking, you will also be able to enroll in Valley First's Online Bill Payment, Online Money Movement, Text Banking, and Mobile Deposit (mobile device camera-based remote deposit) Services. These services are subject to the terms of this Handbook and additional terms disclosed to you when you enroll. Additional Digital Banking services may become accessible in the future. Some Digital Banking Services, such as Mobile Deposit, may require approval.

1. You can use Online Banking (and Mobile Banking where you see "(MB)") to:

    a. View a list of your accounts, available balances, account details and transaction history (MB)*
    b. View cleared Valley First check images (MB)*
    c. Export account history directly into personal finance software*
    d. Initiate transfers between your Valley First accounts (MB)
    e. Request an open-end loan advance in the form of a transfer to your Valley First checking or savings account;
    f. Make payments from your Valley First Checking or Savings Account to any Valley First Loan (MB)
    g. Initiate transfers to accounts of other Valley First members (MB)
    h. Initiate ACH transfers to and from accounts you have with other financial institutions (MB)
    i. Set up one-time or recurring online Bill Payments (MB)
    j. Set up electronic Bill Presentment (available from select billers)*
    k. Enroll in and access eStatements (electronic versions of your Valley First account and loan statements, IRS information returns, and other notices and disclosures) (MB)*
    l. Open and fund additional Valley First accounts (except IRA or Fiduciary Account) (MB)
    m. Apply for Valley First loans (MB)*
    n. Enroll in email account status alerts (MB)*
    o. Submit personal check stop payment requests (MB)*
    p. Order Valley First checks (MB)*

q. Update your personal information including postal address, physical address, email address, and telephone number(s) (MB)*
r. Update your Online Banking access credentials (MB)*
s. Send secure messages to Valley First personnel (MB)*
t. Enroll in Text Banking*

2. In addition to the Online Banking services marked "(MB)" above, you can use the Valley First Mobile Banking App on your internet-enabled smart phone or tablet to:

    a. Submit deposits to Valley First via Mobile Deposit*
    b. Use Location Finder to find surcharge-free ATMs, Valley First Branches, deposit-taking ATMs and Co-op Shared Branch℠ locations*
    c. Use Text Banking to access Mobile Banking by entering text commands on your mobile device (information and command codes are available through the MENU and HELP keys)
    d. View a list of your accounts and available balances*
    e. View individual account transaction history*
    f. Transfer money between accounts under the same core member number
    g. Unsubscribe from Text Banking*

3. If you elect to enroll in eStatement delivery ("eStatements"), Valley First will make periodic account and loan statements and other required and permitted notices and disclosures on Valley First accounts and loans, such as IRS information return copies and change-in-terms notices, available electronically instead of mailing paper copies. You must be enrolled in Online Banking and have a computer or smart phone with internet access and software that enables you to view and save or print PDF documents to enroll in eStatements. If you wish to print copies of your eStatements and other documents that are made available to you electronically, you will need a compatible printer.

    We will deliver documents to you electronically by sending you an email indicating that they are available for pickup in Valley First's secure Online Banking and Mobile Banking channels. Documents we provide electronically will have the exact same information as paper statements. You will have the same opportunities to contact us about any errors or problems. You can download and print any electronic documents we send you.

    You can discontinue eStatements at any time by visiting a branch or calling the Call Center. If you cancel eStatements, we will send statements and other documents to you via postal mail. You can also cancel paper statements and other paper documents at any time by enrolling in eStatements. Refer to the Valley

First Fee Schedule for paper statement fees that may apply.

Even if you have enrolled in eStatements, Valley First reserves the right, at our sole discretion, to mail paper documents to you at your most recent address in our records if we deem it necessary or advisable.

We will honor the most recent statement delivery method instructions of any Authorized Person on your account(s). However, if we receive conflicting instructions, we will send paper statements.

Additional Terms Applicable to Digital Banking

At the time of this publishing, Digital Banking information is encrypted by Secure Socket Layers (SSL) capable of 128-bit encryption. The latest mainstream browsers that support 128-bit encryption are required for access to Digital Banking. As advancements are made in internet security and encryption standards, software requirements may change. Refer to our website at www.valleyfirstcu.org for current requirements and a list of supported operating systems and browsers.

The Digital Banking Bill Payment system will give you an estimated time it will take your payments to reach your payees. This will depend on whether the payee accepts electronic payments or requires payment by check. You are responsible for scheduling Bill Payments to arrive at your payees on time. Valley First will have no liability to any third party arising out of your use of the Bill Payment service within Digital Banking except for actual damages (limited to late fees and interest) arising out of failure to timely and accurately process a Bill Payment consistent with the instructions you enter. In no event will Valley First be liable for alleged consequential, indirect, or punitive damages arising out of your use of the Bill Payment service, such as alleged lost business opportunities or alleged harm to your credit standing.

You are solely responsible for determining whether the party you intend to pay accepts Digital Banking payments. Valley First will have no liability to you because a payee does not accept Digital Banking payments.

You can cancel a Bill Payment you have set up within the Digital Banking system at any time before the payment has begun to process. However, once a bill payment has begun to process, it cannot be stopped, and you must resolve any dispute you have directly with the person or company to whom you made the payment.

Digital banking fraud is widespread. Do not use Digital Banking to send money to any person or company unless the person or company is known to you and you are certain the payment information is correct for the party you intend to pay. Once initiated, Digital Banking payments generally cannot be reversed. Do not send money to unknown persons or companies who contact you in person, over the phone, or via e-mail or text message. Do not give any person your Digital Banking access credentials, transaction verification codes, or other information that would enable them to initiate or complete payments out of your account unless you intend to give them permission to take all the money in your Valley First Accounts plus the maximum available credit on any line of credit you have established as an Overdraft Protection Plan on your Valley First Checking Account.

Fees for Digital Banking Services

Refer to the Valley First Fee Schedule for fees associated with Digital Banking Services.

Limits on Digital Banking Use

Digital Banking transfers and withdrawals are subject to the "Deposits, Withdrawals, Payments, and Transfers" section of this Handbook.

If your access code is entered incorrectly numerous times, Digital Banking can block access to your account. You can unlock your account in Online Banking or Mobile Banking, or you may contact Valley First to have your access reset. To unlock your account online or via the Mobile App, you will need to follow the disclosed password reset procedures. If you do not remember your username, you can request your username be sent to the email address or phone number on file within online banking and your account.

Your access may also be locked if you incorrectly enter the temporary passcode numerous times when accessing your accounts from an unrecognized device.

Valley First uses current encryption technology for Digital Banking to protect your accounts and information. However, we cannot guarantee the security of information transmitted over the internet.

Digital Banking is generally available 24 hours a day, seven days a week, subject to service interruptions for routine and emergency maintenance.

For security reasons, we set dollar amount and frequency limits of Digital Banking transfers and payments. These limits can change from time to time to meet security and risk management needs. We will notify you separately of initial dollar amount and frequency limits of Digital Banking transfers when you set up the service. The Online Bill Payment platform will tell you any payment amount limits that apply to Online Bill Payment. For current transfer limit information applicable to your Digital Banking Services, call us at 1-877-549-4567.

Documentation of Digital Banking Transactions

Digital Banking transactions will be reflected on your periodic statements. You can use Online Banking, Mobile Banking, or Valleyline to review account activity at any time.

Unauthorized Digital Banking Transactions

Notify Valley First immediately if you believe an unauthorized person has gained access to your Digital Banking access credentials or if actual unauthorized Digital Banking transactions have occurred on your account. You should also change your username and password immediately. See the separate "Unauthorized Transactions" provisions of the "Terms Applicable to All EFTs" portion of the "EFT AGREEMENT" section of this Handbook for information about your potential liability for unauthorized Digital Banking transactions. See "HOW TO CONTACT US" at the end of this Handbook to learn how to contact Valley First to report unauthorized transactions or if you know or

suspect an unauthorized person has gained access to your access credentials or an access device.

Additional Terms

Refer to the "Terms Applicable to all EFTs" portion of this EFT AGREEMENT for additional terms that apply to Digital Banking.

Debit Card EFTs

Description

A Debit Card allows you and anyone you authorize to use the Debit Card, wherever cards are accepted, to order the Credit Union to make payments from your Valley First Checking Account without writing a check.

Setup

Your membership must be in good standing, and you must have a Valley First Savings Account to request and qualify for a Debit Card. A Card will be issued to you automatically when you open certain types of Valley First accounts, but you are not required to activate the Card. If you do not wish to use a Card we issue to you, destroy the Card.

Available Services

1. At Valley First proprietary ATMs, you can use your Debit Card to:

    a. Withdraw cash from your Valley First accounts;
    b. Deposit funds to Share Savings and Checking Accounts;
    c. Transfer funds from Share Savings and Checking Accounts to Share Savings or Checking Accounts;
    d. Make some Valley First loan payments; or
    e. Obtain balance information on Share Savings or Checking Accounts.

    Proprietary ATMs are ATMs we own and operate and are identified with Valley First signage.

2. At Network (non-proprietary) ATMs we designate, you can use your Debit Card and PIN to:

    a. Withdraw cash;
    b. Transfer funds;
    c. Obtain Valley First Share Savings and Checking Account balances;
    d. Make deposits to Valley First Savings and Checking Accounts (Co-op ATMs℠ only).

3. You can also use a Debit Card to:

    a. Pay participating merchants for goods and services by signature transaction (including online and telephone transactions);
    b. Withdraw cash from your Valley First Checking Account in the form of a cash advance signature transaction from

participating financial institutions and others who honor the Debit Card for that purpose;

c. Enroll the card in Digital Wallet to initiate Debit Card payments to third parties using Digital Banking or an app installed on your mobile device;

d. Give the card number to a payee to initiate one-time or recurring payments out of your Valley First checking account using the ACH network.

4. You can use a Debit Card to make PIN-based purchases at merchant terminals on participating card networks.

Additional Terms Applicable to Debit Cards

Immediate Deduction of Payment Transactions from Accessed Accounts: Use of a Debit Card authorizes Valley First to charge your Checking Account or Savings Account for the full amount of the transaction plus any applicable service fee as soon as the transaction posts to your account. There is no deferred payment as there is with a credit card.

Other Agreements with Valley First Apply: Use of a Debit Card will be subject to the terms of your agreements with Valley First that apply to the Account(s) you access with the Debit Card (including the General Terms and the Checking Account Terms of this Handbook) and any applicable Overdraft Plan Terms, except that:

1. we may charge withdrawals in any order we determine consistent with the law and this Handbook, and if funds are not sufficient to cover all Checking Account withdrawals, we may pay Debit Card withdrawals and dishonor paper checks. Any attempted withdrawal on a non-Checking Account that does not have available funds will be declined.
2. we cannot honor stop payment requests on Debit Card transactions.

Varying Terms of Your Agreement with Valley First: 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 Valley First is limited to the terms in this EFT Agreement plus the terms in this Handbook that apply to the Accounts you access, plus any Overdraft Protection Plan that you access with the Card.

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

Conflicting Instructions: If you or anyone you authorize to use the Debit Card gives conflicting instructions on an ATM keypad and on a deposit slip or other written instruction, we will follow the instructions given on the keypad.

Changing Your PIN: If you wish to change your Debit Card PIN, contact us. See “HOW TO CONTACT US” at the end of this Handbook.

Exchange Rates: For international multicurrency transactions (purchases or cash advances), the exchange rate between the transaction currency and the billing currency (U.S. dollars) will be a rate selected by the card network brand from the range of rates available in wholesale currency markets for the applicable central processing date. This may vary from the rate the card network itself receives, or the government-mandated rate in effect for the applicable central processing date.

Account Holds: We may debit or place a hold on your Checking Account for transactions when we receive an authorization request or when we receive a notice that a transaction has occurred. While the hold is in effect, the "held" funds will not be **available funds** for any purpose other than the authorized transaction. If a final transaction posts to your account before the end of the "hold" period that follows an authorization request, the **available funds** in your account may be temporarily reduced by the amount of both the "hold" amount and the transaction amount.

Deposit Error Correction: ATM deposit errors will be corrected at the time of verification. If a deposit error correction results in a negative balance, "Our Right to Recover What You Owe Us" will apply.

Card Access Blocks for Suspected Fraud: As part of our effort to protect our members' assets and avoid losses due to unauthorized Debit Card activity, Valley First has implemented a fraud monitoring system on all issued Debit Cards. This means that if your Card is subject to an unusual pattern of activity and we are unable to reach you to verify authorization of the activity, your Card may be blocked. If you anticipate making purchases that are unusual for you as to dollar amount, frequency, type of merchant, or location, call us ahead of time so that we can flag your account to reduce the risk that a fraud block placed on your Card will inconvenience you. However, we reserve the right to block your Card if we reasonably believe that use of that Card may result in unauthorized activity on your accounts that would cause us a loss. Our reservation of the right to block your Card against activity we believe is fraudulent is not a guarantee that your Card will not be subject to unauthorized use.

Merchant Dispute Rights: Card network operating rules give you certain rights to dispute merchant signature transactions initiated with your Debit Card if you do not receive or are dissatisfied with the goods or services you purchased. These rights do not apply to transactions not processed on the card network, or transactions initiated by check or other EFT service. To exercise your rights under the card network operating rules, you must first make a good faith effort to resolve the dispute directly with the merchant. If you are unable to resolve the dispute directly with the merchant, notify Valley First at once. You must tell us within 60 days of the date on which we sent you the FIRST statement on which the disputed transaction appeared. Include copies of any documents that reflect your efforts to resolve your dispute with the merchant. Valley First will arrange to have the dispute investigated to determine whether you have the right to have your account credited for the amount in dispute. We will, at a minimum, provisionally credit your account for the amount of your dispute so that you will have use of the funds within 10 business days (20 business days for accounts open less than 30 days; 5 business days after receipt of written claims of unauthorized Debit Card use on accounts open at least 30 days). It may take us up to 45 days (90 days on POS or foreign transactions or accounts open less than 30 days) to make a determination.

If we determine that you are entitled to a credit to your account, we will post it (or change a provisional credit to a permanent credit) within 1 business day of the determination. If the card network operating rules do not allow a credit to your account, any amount for which your account was provisionally credited will be deducted from your account. We will notify you if this happens and will pay any items that overdraw your account for 5 business days after we send you this notice without imposing an overdraft fee, but only to the extent the overdrafts are equal to or less than the amount of the provisional credit we deducted. If any item overdraws your account by more than the amount of the provisional credit, you will be charged an overdraft fee. You agree to immediately restore to the Credit Union the amount of any overdraft on your accounts. If a negative balance cannot be restored, "Our Right to Recover What You Owe Us" will apply. Your right to dispute merchant transactions through the Credit Union is limited to those provided by the card network operating rules.

Debit Card Fees

The use of the Debit Card at ATMs may be subject to a fee if the owner of the ATM you are using imposes a fee. If a fee is imposed, the law requires the ATM owner to disclose this information to you prior to completion of the transaction. Refer to the Valley First Fee Schedule for any Debit Card fees we impose.

Transactions in foreign countries, made through a foreign online retailer, or made in foreign currencies are subject to a transaction fee based on the transaction amount. Refer to the Valley First Fee Schedule. If a merchant or ATM that accepts your card is located outside the United States (other than a U.S. military base, U.S. territory, or U. S. embassy or consulate), the transaction is foreign and subject to applicable foreign transaction fee(s). In addition, you will pay any fee assessed by the operator of an ATM you use.
If you make a deposit at any third-party ATM, such as through the Co-op Network, and you make an error (such as entering a wrong amount on the keypad, lack of endorsement, or another error), the third-party institution will assess a charge for processing and reconciliation and we will pass that fee on to you. Deposits that are returned for insufficient funds or other reasons will be charged a returned check fee. Third party reconciliation and returned check fees charges will be passed on to you.

Limitations on Debit Card Transactions

You must not use or allow others to use your Debit Card for illegal transactions, such as illegal online gambling. The responsibility for determining the legality of a transaction lies with you, not with the Credit Union. You cannot use the actual or alleged illegality of an authorized transaction as a defense to your obligation to pay any amounts by which you become indebted to us. We reserve the right but do not undertake a duty to refuse to authorize any transaction that we reasonably believe is illegal. We also reserve the right to terminate your Card privileges if you use your Card for illegal activity.

ATM transactions and everyday Debit Card transactions must not exceed the available balance in the account you access unless you have an Overdraft Protection Plan with available funds or credit, or we offer and you opt in to the service and we elect to permit the withdrawal under our Standard Overdraft Practices. If you have available funds, you can withdraw cash from ATMs and make merchant and POS transactions up to your daily transaction limits.

When we approve your request for a Debit Card, we will communicate your daily transaction limits when we issue your Card to you. These limits may be adjusted from time to time for security and risk management reasons. For current limits you can call 877-549-4567.

Merchant and POS transactions will be deducted from your Checking Account only.

Individual merchants or operators of ATMs or POS terminals may impose their own transaction limits.

Although you have sufficient funds in your account to cover a requested Card transaction, an ATM, merchant, financial institution, or other entity that honors the Debit Card may not be able to determine your available balance. For this reason, Valley First will not be liable for the refusal or inability of any third party to allow you to use your Card or for their retention of your Card.

Generally, the Credit Union's ATMs will be available for your use seven (7) days a week, twenty-four (24) hours a day. However, please understand that an ATM, like any machine, must periodically be shut down for routine maintenance, inspection, and repair.

Loan payments at the ATM are subject to verification and collection. Loan payments made at ATMs will be credited the same day, providing your transaction is made Monday through Friday before 6:00 p.m. Pacific Time. Payments made after (or at any time on a weekend or holiday) will be credited on the next business day.

ATM deposits are subject to the "FUNDS AVAILABILITY POLICY" section of this Handbook.

As a safeguard against unauthorized use of your Debit Card the ATM will not operate (and your Card may be captured by the ATM) if your ATM PIN is repeatedly entered incorrectly. Should this happen, contact the Credit Union during normal business hours. See "HOW TO CONTACT US" at the end of this Handbook.

Documentation of Debit Card Transactions

Each time you use a Debit Card at an ATM, or for a signature or POS transaction, you will receive a receipt describing the transaction (unless an ATM notifies you before completing your transaction that receipts are not available, the transaction amount falls below the card network operating rule minimum for providing a receipt, or you decline an offer of a receipt). Card activity will also appear on your monthly statements. Some activity, such as purchases made over the phone or online, may be documented only on your monthly statements.

Liability for Unauthorized Use of Debit Cards

Consumer Debit Card holders are automatically enrolled in the card network's Identity Theft Program and are protected by the card network's Zero Liability policy, which means 100% protection for you in case of fraudulent signature-based transactions in most cases. All members benefit if Valley First keeps card fraud losses to a minimum.

You can contact our Call Center directly at **1-877-549-4567** during business hours to notify us of travel or major purchase plans; and

at any time to report fraud, loss, or theft of your card, or to ask that a block on your card be removed.

In general, your potential liability for unauthorized signature transactions initiated with a Debit Card is zero under the card network operating rules. However, if you are grossly negligent in handling your Debit Card or reporting its loss or theft, your liability for any unauthorized PIN or signature Debit Card transaction may be up to $500 if you take more than two business days to report the loss or theft and we can prove we could have stopped the unauthorized activity had you told us sooner, or unlimited as to any transactions that occur more than 60 days after we sent you the first statement on which unauthorized activity appeared. In addition, if you fail to report the unauthorized use of your Debit Card within 60 days after we sent you the FIRST statement on which an unauthorized transaction appeared, you may be liable for all unauthorized activity that occurred after the sixty-day period, including any maximum credit that may be used for overdraft protection. If a good reason, such as a long trip or hospital stay, kept you from reporting the loss or theft of your card or unauthorized activity that appeared on your statement, the reporting period may be extended.

Your potential liability for unauthorized use of Debit Cards is set out below in the "Unauthorized Transactions" part of the "Terms Applicable to All Valley First EFTs" section of this "ELECTRONIC FUNDS TRANSFER (EFT) AGREEMENT AND DISCLOSURE STATEMENT."

Automated Clearing House (ACH) Services

Description

ACH transfers include automatic deposits into your Valley First accounts from third parties, such as direct deposit of your payroll or retirement benefits, and automatic payments out of your Valley First accounts to third parties, such as transfers to pay insurance premiums or health club dues. ACH transfers also include certain re-presentments of checks returned for insufficient funds (RCK entries), electronic presentments by payees to collect money you owe (ARC entries), and electronic presentments of point-of-purchase items such as checks (POP entries or BOC back-office conversion entries). For RCK entries and ARC entries, the payee is required to notify you in writing that these items may be presented via the ACH system. For POP or BOC entries, the payee may convert a check you write to an electronic payment. Your rights and responsibilities with respect to all ACH entries are governed by California law, Consumer Financial Protection Bureau Regulation E, and ACH rules.

Setup

All ACH transfers must be authorized in writing by the party initiating the payment and in some cases the recipient of the payment unless ACH rules do not require written authorization. For example, to receive direct deposit to a Valley First account of net pay and some types of state and federal benefits, the recipient of the payments must complete an ACH direct deposit enrollment form. You can authorize ACH payment transfers by giving Valley First routing number and your checking account number or your debit card number to the party you will be paying.

Additional Terms Applicable to ACH Transfers

Notice of Payments in Varying Amounts: If your regular payments vary in amount, the person you are going to pay is responsible for notifying you of the amount at least 10 days in advance of the scheduled payment date. You may elect to receive this notice only when the payment amount will vary by more than a specified amount from the previous payment, or when the amount would fall outside certain limits that you set.

Notice of Direct Deposits: If you receive regular (at least every 60 days) direct deposits, the person sending you the payment is required to notify you when they send us the money. You have the right to call us at the number in "HOW TO CONTACT US" at the end of this Handbook to confirm whether you have received an expected direct deposit. You can also use VALLEYLINE, Online Banking or Mobile Banking to find out if an anticipated direct deposit has arrived. The only notice we will send indicating that a direct deposit has arrived will be your periodic statements.

Error Correction: If an ACH transfer is made to your account in error (for example, your employer inadvertently makes a double deposit of your net pay), you agree that we can reverse the erroneous payment without advance notice to you. We will, however, tell you when a correction has been made. If an error correction results in a negative balance in your account, you agree to immediately restore the account to a positive balance upon our written demand. If you do not do so, you agree that "Our Right to Recover What You Owe Us" applies.
Provisional Nature of ACH Credits: Credit we give you for an ACH deposit entry is provisional until we receive final settlement. If we do not receive final settlement, you agree that we can reverse the credit, and the paying party shall not be deemed to have paid you in the amount of the entry. Credit given by your payees for ACH debit entries is provisional until the payee receives final settlement. If the payee does not receive final settlement, the payee will be deemed not to have received your payment.

Right to Stop ACH Payments and Procedure for Doing So: If you have regular preauthorized charges to your account, you can stop any of these payments. Here is how: Contact us immediately or in such manner as to allow us a reasonable opportunity to act upon your stop payment request (see the "HOW TO CONTACT US" section at the end of this Handbook). You can visit a Valley First branch, call, or contact us via the online chat service available within Online Banking. 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. There is a fee for each stop payment request. Refer to the Valley First Fee Schedule. To prevent any future transfers, you should also notify your recipient of the payment in writing to stop the charges and send us a copy of your notice.

Liability for Failure to Stop ACH Payments: We must receive your ACH stop payment notice in such a manner as to allow us a reasonable opportunity to act upon it.

Limitations on ACH Services

For deposits, the payer (the person or entity that pays you the money) must offer direct deposit. For payments, the payee (the person or entity to whom you pay money) must be able to debit the payments via ACH transfer.

Documentation of ACH Transfers

The only documentation we will provide of ACH transactions will be your periodic statement. However, as explained above, you have the right to call us to find out whether ACH transactions, including but not limited to anticipated direct deposits, have occurred. Additional information provided by the payer may be necessary to research your request.

Liability for Unauthorized ACH Transfers

In general, your liability for unauthorized ACH transfers will be as set forth in the "Terms Applicable to All Valley First EFTs." You will need to submit a "Written Statement of Unauthorized ACH Debit" to obtain a refund of an unauthorized ACH payment. The following are considered unauthorized ACH payments:

1. ACH payments you never authorized;
2. ACH payments on which you notified the payee in writing that the authorization was revoked;
3. ACH payments that occurred sooner than the date you authorized;
4. ACH payments in a different amount than what you authorized;
5. Checks that are improperly processed electronically;
6. ACH payments that are improperly re-initiated after having been returned; or
7. ACH payments that you authorized a third party to initiate but the third party did not make the payment as authorized.

Terms Applicable to All Valley First EFTs

Your acceptance, retention, or use of any Valley First EFT access device or access code constitutes an agreement between you and Valley First to the terms for the services you obtain as explained above and to the following general terms applicable to electronic funds transfers.

Keeping Your EFT Access Devices and Access Codes Secure

To minimize the risk of unauthorized use of EFT access devices and access codes, you agree to follow these rules:

1. Never write access codes on your Debit Cards or keep them on pieces of paper in your wallet or by your telephone or computer. Do not let others watch you key in your EFT access codes.
2. If you voluntarily provide your Valley First EFT access devices, access codes, or transaction verification codes to anyone, that person becomes an Authorized User of the device or code and you are authorizing that person to take all of the money out of your account plus take advances on any line of credit you have linked to your account for overdraft protection up to the credit limit. Valley First is not bound by agreements between you and third parties limiting their permission to use your EFT access devices or access codes.
3. The only time you should provide an EFT access code to Valley First is when you are logging in to use an EFT access device such as an ATM or a Digital Banking channel. Valley First will never ask for your EFT access code in person, by mail, email or by telephone. Any email or postal mail requesting your EFT access code is fraudulent. Should you receive such a request, DO

NOT release your information, and notify Valley First as soon as practicable.

Consumer Accounts: Your Liability for Unauthorized Transactions - All EFTs Except as Noted

Tell us AT ONCE if you believe any Valley First EFT access device or access code has been lost or stolen or has been or may be subject to unauthorized use, or if you believe that an electronic funds transfer has been made without your permission using information from a Valley First personal check. Refer to the "HOW TO CONTACT US" section at the end of this Handbook for how to provide this notification. Calling us is the best way to minimize your liability. If you do not tell us promptly, your liability may be up to the total balance in the account subject to unauthorized access, plus any available funds or credit limit in accounts or credit lines linked to the accessed account for overdraft protection.

If you report the loss, theft, or actual or potential unauthorized use of your EFT access device or access code (other than a Debit Card) to us within two (2) days after you learn about it, you can lose as much as $50 if someone used your access device or access code without your permission.

However, if you DO NOT tell us within two (2) business days after you learn of the loss, theft, or actual or potential unauthorized use of your EFT access device or access code (other than a Debit Card), and we can prove we could have stopped someone from using your EFT access device or access code without your permission, you could lose as much as $500.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you or we sent you email notification that your electronic statement was available for viewing, you may not get back any money you lost after sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time. (This rule does not apply to Debit Cards if the unauthorized use falls under the card network's "Zero Liability" rule.)

If you were precluded from telling us for a compelling reason, such as an extended trip or hospital stay, we will extend these time periods.

Refer to the "Debit Cards" portion of this EFT AGREEMENT for information regarding your potential liability for unauthorized use of Debit Cards.

Any person to whom we issue an EFT access device or access code at the request of an Authorized Person, or to whom an Authorized Person gives an EFT access device or access code, or to whom an Authorized Person gives express or implied permission to use an EFT access device or access code, will be able to withdraw all of the money in your Valley First accounts linked to that device or access code plus any associated overdraft protection. We consider such persons to be Authorized Users. You agree that all Authorized Users may take any funds in your Valley First accounts (including funds from any overdraft protection source) until you notify Valley First to deactivate the EFT access device or access code. You are obligated to repay any debt to Valley First that results from the authorized use of EFT access devices or access codes, whether or not the Authorized User stays within any limits of use set by you. You remain liable for any

authorized use of your Valley First EFT access devices or access that occurs before you tell us to cancel the device or code.

Consult your applicable loan agreements for liability for unauthorized direct access by EFT device to your lines of credit.

Documentation of EFTs

If you have EFT activity on any Valley First account or activity other than the posting of dividends or deduction of fees on a Valley First Checking Account, we will provide you with monthly statements. Otherwise, we will provide you with statements at least quarterly.

Credit Union Liability—All EFTs

If we do not properly complete an EFT transaction according to our agreement with you, we may be liable for your direct losses or damages, subject to certain exceptions. We will not be liable if:

1. Through no fault of ours, your account does not contain enough money, or you don't have available credit or an Overdraft Protection Plan to make the transaction;
2. An ATM or other location where you are attempting the transaction does not have enough cash;
3. The EFT system was not working properly, and you knew about the breakdown when you started the transaction;
4. Money in your Valley First account is subject to legal process or other claim, or we have blocked access to your Valley First account due to your failure to meet your obligations to us;
5. The EFT access device or access codes you are attempting to use has been reported missing and we have blocked its use;
6. Circumstances beyond our control such as fire, flood, electrical failure, or malfunction of the central data processing facility prevent the completion of the transaction despite our reasonable precautions; or
7. We establish other lawful exceptions and give you legally required advance notice of them.

In no event will Valley First be liable for consequential, indirect, or punitive costs or damages that you claim resulted from our failure to correctly process EFTs.

We will carry out instructions we receive via EFT access devices, access codes, and in writing in the case of ACH transfers. We will not incur liability for doing so in a reasonable manner. You agree to defend, indemnify, and hold Valley First harmless from all costs, claims, damages, or liabilities that we sustain as a result of carrying out in a reasonable manner instructions received through EFT access devices, access codes, or in writing in the case of ACH transfers. We may arrange for the availability of ATMs at various locations with access during non-business hours for the convenience of our members. However, you assume the risk of using them. We do not warrant the security or safety of any location. With respect to your use of ATMs, we are not responsible for any wrongful act committed by anyone who is not our authorized Agent or employee of acting within the scope of their agency or employment agreement with Valley First.

You are solely responsible for the installation, operation, and maintenance of, and payment for, all third-party equipment, software, and services you use in connection with Valley First EFT

activity, including but not limited to your computer, mobile device, telephone, and internet service. Valley First will have no liability to you as a result of any failure or malfunction of any third-party equipment, software, or service you use or attempt to use in connection with your Valley First EFT activity.

If you experience technical difficulties with a Valley First-provided EFT device, system, or application, such as a Debit Card, our Mobile Banking App, or Online Banking, you can contact us, and we will make a good faith attempt to correct the problem if we determine it is caused by a circumstance within our control. HOWEVER, WITH RESPECT TO EFT SERVICES, VALLEY FIRST DOES NOT MAKE, AND EXPRESSLY DISCLAIMS TO THE FULL EXTENT ALLOWED BY LAW: (1) ANY EXPRESS OR IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE AND (2) ANY WARRANTY THAT VALLEY FIRST EFT SERVICES WILL OPERATE ERROR FREE AND WITHOUT INTERRUPTION.

ATM Safety

Avoid using ATM machines that appear to have the potential for assault or robbery. Consider having someone accompany you when you are using the ATM after dark. If there are any indications that an unauthorized device has been attached to the ATM or if there are any other indicators that an ATM has been tampered with, you should not use the ATM and should notify the ATM owner. Refer to the "HOW TO CONTACT US" section at the end of this Handbook for how to provide this notification if the ATM is owned by Valley First. Put your money away and leave the site as soon as you have completed the transaction. Count cash later when you are in a safe and secure environment. If you notice anyone suspicious approaching the ATM while you are using it, cancel your transaction and put your Card away immediately. Immediately report all crimes to the ATM operator and local law enforcement officials. DO NOT leave receipts at the ATM.

Privacy—All EFTs

With respect to EFTs, in the ordinary course of business, we will disclose information to third parties about your accounts or the transfers you make:

1. When necessary to complete transfers;
2. To verify the existence and condition of your account for third parties such as consumer reporting agencies or merchants;
3. To comply with valid government agency or court orders; or
4. If you give us your written permission.

Refer to our Privacy Statement for a comprehensive discussion of our policies on maintaining the privacy of your personal and financial information.

Change in Terms—Cancellation

We may change the terms of this EFT by providing legally-required notice to you.
You agree that we may immediately terminate this agreement and your use of Valley First EFTs, without notice, if any of the following occur:

1. You or any Authorized User of your EFT access devices or access codes breach this or any other agreement between us (including loan agreements), provided that you will retain access to your accounts for the time set forth in the "***Our Right to Suspend Access to Your Valley First Federal Credit Union Accounts if You Default on Your Obligations to Us"*** section at the beginning of this Handbook;
2. We have reason to believe that there has been or may be an unauthorized use of your EFT access device or access code;
3. We have been notified that there are conflicting claims to the funds in your accounts;
4. Termination is necessary to preserve the security of Credit Union accounts or systems;
5. Any Authorized Person on your account authorizes us to do so; or
6. You obtain cash from an ATM at a time when funds are not available in your Credit Union accounts accessed under this program and you have not established an Overdraft Protection Plan.

Your Debit Card is the property of the Credit Union, and you agree to return it to us upon request.

Additional Terms

Generally, EFT services may be accessed seven days a week; however, ATMs and other EFT systems are sometimes closed temporarily for maintenance or repairs.

EFTs may involve other agreements you have with the Credit Union, such as checking or loan agreements. Wherever applicable, the terms of these agreements shall apply to the EFT transaction as well.

Unless otherwise required due to the laws of your state of residence, California, and applicable federal law, including but not limited to Consumer Financial Protection Bureau Regulation E, govern this EFT AGREEMENT. If any provision is found to be unenforceable, the rest of the agreement will remain in effect.

Your use of any EFT access device or access code constitutes your acknowledgement of receipt of this EFT AGREEMENT prior to your use of the device or code.

Our business days are Monday through Friday, excluding federal holidays. We may be open to provide limited services on other days, but we do not consider those days "business days" as that term is used in this EFT AGREEMENT.

If use of EFT services by you or any Authorized User results in your becoming indebted to Valley First, and you do not pay what you owe us, you agree that "Our Right to Recover What You Owe Us" applies.

In Case of Errors or Questions About Your EFTs

Consumer Accounts

If you think that an electronic transfer shown on your statement is wrong, or if you need more information about a transfer, contact us at the telephone number or address listed under the "HOW TO

CONTACT US" section at the end of this Handbook. Please tell us all the information requested under the section entitled "WHAT TO TELL US IN CASE OF ANY ERROR OR INQUIRY" at the end of this Handbook.

We must hear from you no later than 60 days after we send you the FIRST statement on which the error or problem appeared. If you tell us orally, we may require that you send us your complaint or question in writing within ten business days. We will tell you the results of our investigation within ten business days (twenty business days if your account is less than 30 days old) after we hear from you and will correct any error promptly.

If we need more time, however, we may take up to 45 days (90 business days for Point-of-Sale (POS) transactions, transactions involving foreign countries, or transactions on accounts less than 30 days old) to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within ten business days (twenty business days if your account is less than 30 days old) for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If your complaint or question relates to a claim of unauthorized use of your Debit Card and your account has been open at least 30 days, we will provisionally credit your account within five business days.

If we ask you to put your complaint or question in writing and we do not receive it within ten business days, we may not provisionally credit your account while we investigate.

We will give you a written explanation of our investigation within three business days of completing it, whether or not we decide there was an error. You may ask for copies of the documents that we used in our investigation.

If we find that there was an error, we will change any provisional credit to a permanent credit. If we find that there was no error, we will reverse any provisional credit and the amount of the provisional credit will be deducted from your account. We will notify you if this happens and will pay any items that overdraw your account for five business days after we send you this notice without imposing an overdraft fee, but only to the extent the overdrafts are equal to or less than the amount of the provisional credit we deducted. If any item overdraws your account by more than the amount of the provisional credit, you will be charged an overdraft fee.

HOW TO CONTACT US

To contact us by telephone, call us at (209) 549-8500 or (877) 549-4567.

- You may also visit any Valley First Branch during normal business hours. For information on branch hours and locations, call us or visit www.valleyfirstcu.org/contact-us.
- You may write to us at: Valley First Federal Credit Union, P.O. Box 1411, Modesto, CA 95353-1411
- You may send us secure email through Online Banking, Mobile Banking, or via our website at www.valleyfirstcu.org.
- For VALLEYLINE Phone Banking, please call (800) 266-8328.

WHAT TO TELL US IN CASE OF ANY ERROR OR INQUIRY

To enable us to investigate any claims of unauthorized transactions, errors, or other inquiries regarding your Valley First accounts, provide the following information in your correspondence:

1. Your name and the number of the account on which the questioned transaction occurred;
2. A description of the transaction you question;
3. As clear an explanation as you can provide as to why you believe the transaction was unauthorized or another error occurred on your account; and
4. The date and dollar amount of the questioned transaction.

Share accounts are federally insured up to $250,000 by the National Credit Union Administration, a U.S. Government agency. Retirement accounts are federally insured up to $250,000 by the National Credit Union Administration, a U.S. Government agency.

We do business in accordance with the federal fair housing laws, including the Equal Credit Opportunity Act.

Valley First is an Equal Housing/Equal Opportunity Lender.

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

Federally Insured by **NCUA**

Eff. 04/20/26

