



Share Draft Account Agreement

Owner(s) hereby authorize SMW 104 Federal Credit Union to establish a special share account for me/us to be known as a "Share Draft Account" or "Checking Account". The credit union is authorized to pay share drafts signed by me (or by any of us named on this account) and to charge the payments against this account. Primary Member and Joint Member, if applicable, shall be referred to in this Agreement as "owners".

By accepting this agreement, you acknowledge that you have received a copy of the credit union Truth in Savings Disclosure (Disclosure) and that you have received a copy of the current Rate and Fee Schedule. All of the terms, conditions and information contained in this Application and any amendments thereto ("Application") are by this reference incorporated in their entirety into the Disclosure. I/We agree to be bound by the terms and conditions of the Disclosure and Application. I/We understand that the credit union may verify all information I/We have given on this Application. Owner(s) agree(s) to the foregoing terms and conditions, the designation of overdraft transfers, and the additional terms and conditions set forth.

1. Notice to the member shall constitute notice to all persons authorized by the member to have access to the account.
2. Only share draft blanks and other methods approved by the Credit Union may be used to withdraw funds from this account.
3. The Credit Union may pay and charge to my applicable Share Draft Account, share drafts drawn by and payable to any person, organization, association, or corporation whom I/We have authorized by providing sample MICR encoded information on my account to pay such share drafts. I/We agree that the Credit Union's rights in respect to such share drafts shall be the same as if it were a share draft drawn and signed by me personally. This authority shall remain in effect until revoked by me in writing. I/We agree that the Credit Union shall be fully protected in honoring such a share draft. I/We further agree that if any such share draft be dishonored, whether with or without cause, and whether intentionally or inadvertently, the Credit Union shall be under no liability whatsoever even though such dishonor results in the forfeiture of insurance, loss, or damage to me of any kind.
4. All funds in an account remain subject to liens, security interests, rights of setoff, and charges, notwithstanding the source of the contribution.
5. Non-cash payments deposited into this account may be credited subject to final payments.
6. The use of this account is subject to such other terms, conditions, and requirements the Credit Union may establish from time to time.
7. The owner(s) acknowledge that share drafts are truncated and hereby waive any and all rights to receive the items without prejudice to any of the Credit Union's defenses available under the California Uniform Commercial Code (UCC).
8. The owner(s) of this account agree with each other and with the Credit Union that all share and all accumulations thereon shall be owned as designated on account, and are subject to the withdrawal, or receipt by any of the owner(s). Payment to any of them shall be valid and discharge the Credit Union from any liability for such payment.
9. This Agreement shall be construed in accordance with the laws of the State of California, including the California Uniform Commercial Code (UCC).

Consumer Reports

The Credit Union makes credit available to its members on a regular basis. The owner(s) of the account authorizes the Credit Union to obtain consumer reports in connection with credit and business transactions involving the owner(s), including but not limited to applying for membership, the opening of a share or share/draft account, or the issuance of an ATM card, Debit card or other service provided by the Credit Union, and the owner(s) of the account authorize any person, association, or corporation to furnish on request, information concerning the affairs of the owners(s).

The owner(s) also authorize the Credit Union to furnish information concerning the account to consumer reporting agencies. If you believe the Credit Union is reporting inaccurate information to a credit reporting agency, please notify us so we can investigate. We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your report.

Credit Union Rights & Waivers

The Credit Union reserves the right to waive the enforcement of any of the provisions of this Agreement with the owner(s) with respect to any transaction or series of transactions. Any such waiver will not affect the right of the Credit Union to enforce any of its rights with respect to later transactions with the owner(s) and is not sufficient to modify the terms and conditions of this Agreement.

- The Credit Union is under no obligation to pay a share draft which exceeds the balance in this account. The Credit Union may, however, pay such a share draft and recover or obtain a refund of the amount of the resulting overdraft plus a service charge from any of the owners of this account, each of whom expressly agree that he or she is jointly and severally liable for any, and all overdrafts of this account created by any owner.
- The Credit Union is under no obligation but may pay a share draft which is presented more than six (6) months after its date; the Credit Union may pay such a share draft and assess a special handling charge upon receipt of any such item, in addition to a service charge upon this account, in accordance with the rate schedule adopted by the Credit Union as amended from time to time.
- The Credit Union reserves the right to require prior written notice of intention to withdraw all or any part of the shares not to exceed the notice requirement as set forth in the Credit Union bylaws.
- The Credit Union will treat all share drafts as though the share draft were written on the date presented.
- Except for its own lack of good faith or failure to exercise ordinary care, the Credit Union is not liable for any action it takes regarding the payment or non-payment of a share draft.

Stop Payments

Any owner of this account may stop payment on any item drawn against the account. The order must describe the item with reasonable certainty and must be received in such time and manner to afford the Credit Union a reasonable opportunity to act upon it. A stop payment order is effective for six (6) months, but it lapses after 14 calendar days if the original order was oral and was not confirmed in writing within that 14 day period; Please review the SMW 104 Federal Credit Union fee schedule for stop payment fees.

Electronic Funds Transfers (EFT)

Upon prior notification from the merchant to the account owner(s), a purchase made with a share draft check can be converted to a one-time electronic fund transfer (EFT) if authorized by the account owner(s). The account owner(s) may also authorize merchants to electronically debit the account for returned check fees. It is agreed that the account owner(s) authorize the electronic fund transfers if the transaction is completed after being told (orally or by a posted notice) that the transfer may be processed electronically or if the account owner(s) signs a written authorization.

Errors and Unauthorized Transactions

The owner(s) to whom the periodic statement of account is sent to agree(s) to exercise reasonable care and promptness to examine the statement to discover any errors or discrepancies, and to promptly notify the Credit Union after discovery thereof. You may call us at (800) 464-5987, or write to us at P.O. Box 2278, San Leandro, CA 94577-0227.

Charges and Fees

This account shall be subject to services charges (including, without limitation, stop payment and NSF fees) in accordance with the fee schedule adopted by the Credit Union as amended from time to time.

Pledges

None of the shares in this account may be pledged as collateral security for a loan or loans to a party; however the Credit Union may impose a lien on the shares (and dividends payable thereon) in this account and/or execute its lien by offsetting against this account to the extent of any loan or obligation, or dues or charges payable by, any owner.

Termination of Agreement

The Credit Union reserves the right to close the account for abusive use. The Credit Union may terminate this agreement at any time. Termination of this agreement will not affect my obligation to pay any outstanding balances or charges owed. The right or authority of the Credit Union under this agreement shall not be changed or terminated by any of the owners, except by written notice to the Credit Union, written notice shall not affect transactions previously made.

Address and Phone Number Change

All parties shall keep the Credit Union informed of any change(s) in their address(es) and/or telephone number(s).

Overdrafts

You promise to pay the Credit Union immediately upon demand for any negative (overdraft) balance arising in your account unless you have available overdraft privileges. If you do not have overdraft privileges, the credit union may deduct the amount of any overdraft on your account from any other account you have with the credit union, except an individual retirement account.

SMW 104 Federal Credit Union does not authorize and pay overdrafts for any transaction if the funds are insufficient to cover the transaction. Additionally, a non-sufficient fee for each item presented will be charged. Transactions will only be paid if an overdraft protection source is linked to the share draft account. Please review our credit union fee schedule for details. We determine if you have enough money in your account to cover a transaction as follows:

We use the "available balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your "available" balance may not be the same as your account's "actual" balance. This means an overdraft, or an NSF transaction could occur regardless of your account's actual balance. The available balance takes transactions that have been authorized, but not yet settled, and subtracts them from the actual balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the actual balance.

FOR SHARE DRAFT ACCOUNTS WITH SHARE OVERDRAFT PROTECTION

If any of the owners writes a share draft that would result in this Share Draft Account being overdrawn, the Credit Union is authorized to charge the share account(s) designated, regardless of which party signed the item in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor the share draft, and to credit such charge to this account. No share draft overdraft may be paid by charging a share account if, as a result of such charge, that share account would be subject in any one month to more than six preauthorized, automatic or telephonic transfers, with no more than three by check, draft, debit card or similar order; transfers initiated by telephone must be counted among the six monthly transfers; there are no limits on the number of withdrawals if initiated in person, and no limit on the number of withdrawals paid directly to the member when initiated by mail, telephone or messenger.

FOR SHARE DRAFT ACCOUNTS WITH LOAN OVERDRAFT PROTECTION

If any of the owners writes a share draft which would result in this account being overdrawn, and if at that time any of the owners are eligible to receive loan advances from the loan account referred to on the application, then the Credit Union is authorized to make an advance from the referenced loan account and to credit the advance to this account in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor such share draft.

Questions:

SMW 104 Federal Credit Union
P.O. Box 2278
San Leandro, CA 94577-0227
(800) 464-5987
info@smw104fcu.org

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

NCUA

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