



## **BUSINESS FUNDS TRANSFER AGREEMENT**

Electronic fund transfers which are **not** consumer electronic fund transfers governed by the Electronic Fund Transfer Act and Regulation E are governed by the Uniform Commercial Code as adopted by California (the "UCC"), the rules and regulations of the fund transfers system through which the funds are sent and by the terms and conditions stated in this Agreement. These fund transfers include but are not limited to transfers to or from accounts through the Federal Reserve Bank system by means of Fedwire or transfers through the automated clearing house ("ACH") that are subject to the ACH applicable rules or other fund transfer systems and transfers between accounts at our different branches ("on us" transfers). The terms and conditions which follow apply if you request that we act as the "Originating Bank" for a "payment order" from you or as the "Beneficiary Bank" for a payment order to you as these terms are defined in the UCC. These terms do not generally apply to transfers originated by check, draft or other written item. Using the Credit Union to send or receive funds transfers shall constitute your acceptance of all of the terms and conditions contained below.

The foregoing laws and regulations are intended to establish a comprehensive legal framework covering the duties, responsibilities and liabilities of all parties involved in a funds transfer. In this Funds Transfer Agreement ("Agreement"), the following words have the following meanings:

- "We," "us," "our," and "Credit Union" mean Meriwest Credit Union.
- "You," "your," and "yours" mean each person (whether one or more persons) who has a deposit account with Meriwest Credit Union and requests Meriwest Credit Union to send a funds transfer to a designated beneficiary.
- "Funds transfer" means the series of transactions, beginning with the originator's payment order, made for the purpose of making payment to the beneficiary of the order.
- "Payment order" means an instruction of a sender to a receiving bank, transmitted orally, electronically, or in writing, to pay, or to cause another bank to pay, a fixed or determinable amount of money to a beneficiary, provided that (1) the instruction does not state a condition to payment to the beneficiary other than time of payment; (2) the receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment from the sender; and (3) the instruction is transmitted by the sender directly to the receiving bank or to an agent, funds-transfer system, or communication system for transmittal to the receiving bank.
- "Beneficiary" means the person to be paid by the beneficiary's bank.
- "Beneficiary's bank" means the bank identified in a payment order in which an account of the beneficiary is to be credited pursuant to the order.
- "Receiving bank" means the bank to which the sender's instruction is addressed, which for purposes of this Agreement, is the Credit Union.

- “Sender” means the person giving the instruction to the receiving bank.
- “Originator” means the sender of the first payment order in a funds transfer.
- “Fedwire” means the funds-transfer system owned and operated by the Federal Reserve Banks that is used primarily for the transmission and settlement of payment orders governed by Subpart B of Regulation J of the Board of Governors of the Federal Reserve. Fedwire does not include the system for making ACH transfers.

This Agreement contains several notices which the Credit Union is required to provide to you and establishes other terms of agreement which will apply to all funds transfers which involve you and the Credit Union. Using the Credit Union to send or receive funds transfers shall constitute your acceptance of all of the terms and conditions contained in this Agreement.

To the extent that the terms contained in this Agreement are different than those in any other agreement or terms of account, this Agreement will control and be deemed to modify such other agreements or terms of account. If any part of this Agreement is invalid, illegal, or unenforceable, the remaining provisions will remain in full force and effect.

**1. Applicable Law.** This Agreement applies to funds transfers as defined in Article 4A of the UCC, (Division 11 of the California Uniform Commercial Code).

**2. Acceptance of Funds Transfer Orders and Agreement.** The Credit Union will accept funds transfer requests from you in person, in writing, or through Meriwest Online Banking, provided that you have signed this Transfer Agreement and have sufficient available funds on deposit in the account to execute the payment order and our security procedures (described below) are followed. The Credit Union will not comply with any funds transfer instructions that are not in accordance with the terms of this Agreement or our security procedures.

**3. Authorization to Initiate Funds Transfer.** The Credit Union may charge your account for the amount of any funds transfer initiated by you or other authorized party with the right of access to the account from which the funds transfer is to be made (collectively, your “Authorized Agents”). Only you and your Authorized Agents will be permitted to initiate funds transfers from your accounts at the Credit Union. You understand and agree that you are fully responsible for all transactions conducted by your Authorized Agents, regardless of whether such transactions are authorized by you or exceed the amounts of any transaction authorized by you. The Credit Union shall have no liability for losses caused by your failure to notify the Credit Union of changes to your Authorized Agents.

**4. Authorization to Charge Account.** The Credit Union shall have the right to charge the amount of any funds transfer request to any of your accounts at the Credit Union in the event that no account is designated, or in the event that a designated account has insufficient collected funds to cover the amount of a funds transfer request.

**5. Service Fees and Charges.** The Credit Union may charge a service fee for services relating to the sending or receiving of the funds transfer request. Please refer to our *Fee Schedule*, which has been previously provided to you and is incorporated herein by this reference, for current funds transfer fees. If

funds transfer instructions you provide are incorrect and the funds transfer is returned to us for any reason, you can provide us with the correct information that will permit us to execute the payment order again, but in such a case you will be charged an additional fee as set forth in our *Fee Schedule*.

**6. Security Procedures.** The Credit Union may establish, from time to time, security procedures to verify the authenticity of a payment order. You understand and agree that the Credit Union may amend the security procedure(s). You will be notified at the time the payment order is requested of the security procedure(s), if any, to be used to verify payment orders issued by you or for which your account will be liable. You agree that the authenticity of payment orders may be verified using that security procedure(s) unless you notify the Credit Union in writing that you do not agree to the specified security procedure(s). In that event, the Credit Union will have no obligation to accept any payment order from you or other Authorized Agents on the account until you and the Credit Union agree, in writing, on an alternate security procedure. Provided the Credit Union complies with the security procedure(s) (or the security procedures as otherwise agreed, or as amended by us), you will be liable for payment of the transferred amount plus transfer fees, even if the transfer request was not actually transmitted or authorized by you. If the Credit Union does not follow the security procedure(s), but can prove the transfer request was originated by you or your Authorized Agent, you will still be liable for the transfer amount plus transfer fees. You authorize the Credit Union to record electronically or otherwise any telephone calls relating to any funds transfer under this Agreement.

**7. Unauthorized or Improper ACH Debit Activity.** You understand and agree that in case of unauthorized or improper ACH debit activity on your account, you must complete and sign our affidavit of unauthorized or improper ACH debit activity.

**8. Funds Transfer Cut-Off Times.** The Credit Union may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments, or cancellations. Unless other times are posted for the various types of funds transfers, the cut-off time for funds transfers are as follows:

- Domestic – 2:00 p.m. Pacific Time, for same day processing, on each weekday that the Credit Union is open, excluding federal holidays.

Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received for processing on the next weekday that the Credit Union is open, excluding federal holidays.

**9. Right to Cancel or Amend a Domestic Funds Transfer Request.** There is no right to cancel or amend a domestic funds transfer request after it is received by the Credit Union. The Credit Union may, at its option, attempt cancellation or amendment of a funds transfer request prior to the time that the Credit Union executes such transfer, but the Credit Union shall have no liability if the cancellation or amendment is not effectuated. In any event, we will not credit funds until we confirm the beneficiary has not received funds and any funds transmitted have been returned. We have no obligation to re-execute any rejected or returned funds transfer request. We will credit any account following return or rejection. Any credit may not be equal to the original amount of the funds transfer request due to, for example, transfer fees, our expenses, or expenses of other institutions. In addition, we will have no obligation to pay interest (or dividends) on any cancelled, returned, or rejected transfer order. You must notify the Credit Union immediately in person or by telephone for cancellations or amendments. All cancellations or amendments

will be subject to the same identification procedures used when initiating a funds transfer request. Under no circumstances will the Credit Union be liable to you or any third party for cancellations or amendments acted upon by the Credit Union after execution of your original funds transfer request. You agree to reimburse the Credit Union for any costs, losses, or damages, including reasonable attorneys' fees, the Credit Union incurs in connection with your cancellation or amendment request.

**10. Fedwire and Choice of Law.** If you send or receive a wire transfer, Fedwire may be used. However, as a Business Account this means that your rights and obligations with respect to such transfers are **not** be governed by Regulation J, Subpart B – Funds Transfers through Fedwire as this is not a consumer account. The Credit Union will be excused from delaying or failing to execute a funds transfer if it would result in the Credit Union's exceeding any limitation on its intra-day net funds position established through the Federal Reserve guidelines or if it would result in violating any present or future risk control program of the Federal Reserve or a rule or regulation of other governmental regulatory authorities.

**11. Identification of Beneficiary.** If you give the Credit Union a payment order which identifies the beneficiary by both name and identifying account number, payment may be made by the beneficiary's bank on the basis of the identifying account number, even if the number identifies a person different than the named beneficiary. This means that you will be responsible to the Credit Union if the funds transfer is completed on the basis of the identifying account number you provided the Credit Union.

**12. Identification of Intermediary or Beneficiary's Bank.** If you give the Credit Union a payment order which identifies an intermediary or beneficiary's bank by both name and an identifying number, we may rely on the number as the proper identification even if it identifies a different person or institution than the named financial institution. This means that you will be responsible for any loss or expense incurred by us or any receiving financial institution which executes or attempts to execute the payment order in reliance on the identifying number you provided.

**13. Provisional ACH Payments.** The Credit Union may, in its discretion, give you credit for ACH payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives final settlement of the payment. You are hereby notified and agree that if the Credit Union does not receive such final settlement, it is entitled to a refund from you of the amount credited to you in connection with that ACH entry. This means that the Credit Union may provide you with access to ACH funds before the Credit Union actually receives the money. However, if the Credit Union does not receive the money, then the Credit Union may reverse the entry on your account and you would be liable to repay the Credit Union.

**14. Notice of Receipt of ACH Payments.** ACH transactions are governed by the operating rules of the National Automated Clearing House Association. In accordance with these rules, the Credit Union will not provide you with next day notice of receipt of ACH credit transfers to your account. You will continue to receive notices of receipt of ACH items in the periodic account statements that the Credit Union provides.

**15. Receipt of Incoming (Non-ACH) Funds Transfer.** If the Credit Union receives a funds transfer for you or for other persons authorized to have access to your account, you agree that the Credit Union is not obligated to provide you with next day notice of the receipt of the funds transfer. The Credit Union will provide you with notification of the receipt of all funds transfers by including such items in the periodic

account statements that the Credit Union provides. You may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received. If the Credit Union receives notice that a wire transfer transmitted by the Credit Union has been rejected, the Credit Union will notify you of such rejection (including the reason given for rejection) by telephone, electronic message, or U.S. mail. The Credit Union will have no further obligation to transmit the rejected wire transfer if it complied with this Agreement with respect to the original transfer request.

**16. Payment of Dividends (or Interest).** If the Credit Union becomes obligated under Article 4A of the UCC to pay interest (or dividends) to you, you agree that the rate of interest (or dividends) to be paid shall be equal to the interest (dividend) rate, on a daily basis, applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made. Interest (or dividends) will begin accruing on the day the refund or re-credit is due.

**17. Rejection of Funds Transfer Request.** The Credit Union may, in its sole discretion, reject any funds transfer request which: (1) exceeds the collected and available funds on deposit in your designated account(s); (2) is not authenticated to the Credit Union's satisfaction or which the Credit Union reasonably believes may not be authorized by you; (3) contains incorrect, incomplete, or ambiguous information; (4) involves funds subject to a lien, hold, dispute or legal process pending their withdrawal; or (5) involves a transfer that is prohibited under applicable law, rule, or regulation. You understand and agree that the Credit Union shall incur no liability to you or to third parties for any loss occasioned by the Credit Union's refusal to accept any funds transfer order.

**18. Notice of Rejection of a Funds Transfer.** In the event the Credit Union rejects any funds transfer request, the Credit Union shall provide notice of such rejection to you, or an Authorized Agent, orally or in writing by the end of the next business day that such funds transfer would otherwise have been executed by the Credit Union.

**19. OFAC.** You agree not to initiate any wire transfer, ACH entry or payment that would violate the economic sanctions administered by the U.S. Treasury's Office of Foreign Assets Control.

**20. Limitation of Liability.** Except as expressly prohibited by applicable state and federal laws and regulations, you understand and agree that the Credit Union will not be liable for any loss or liability arising from: (1) any unauthorized or erroneous transfer or interest thereon (including, but not limited to, fraudulent transfers and/or a transfer which the Credit Union failed to abide by the agreed upon security procedures) which you fail to report to the Credit Union within thirty (30) days after your receipt of notification of the transfer; (2) any negligent or intentional action or inaction on the part of any person not within the Credit Union's reasonable control, including, but not limited to, the failure of other financial institutions to provide accurate or timely information; (3) the failure of other financial institutions to accept a funds transfer order; (4) your negligent or intentional action or inaction and/or breach of this Agreement; (5) any ambiguity or inaccuracy in any instruction given to the Credit Union by you or your Authorized Agent; or (6) any error, failure or delay in execution of any funds transfer instruction, or cancellation or amendment caused by circumstances beyond the Credit Union's reasonable control, including, but not limited to, any computer or communication facilities malfunction.

Except as otherwise provided by applicable law, the Credit Union's liability for any negligent or intentional action or inaction in connection with any funds transfer request shall be limited to your direct

loss and payment of interest (or dividends). **UNDER NO CIRCUMSTANCES SHALL THE CREDIT UNION BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, AND PUNITIVE OR SPECIAL DAMAGES THAT YOU MAY SUFFER IN CONNECTION WITH THIS AGREEMENT AND/OR ANY FUNDS TRANSFER REQUEST.**

**21. Impossibility of Performance.** The Credit Union will not be liable for failure to comply with the terms of this Agreement caused by legal constraint, interruption or failure of transmission and/or communications facilities, war, emergency, labor dispute, act of nature, or other circumstances beyond the control of the Credit Union.

**22. Indemnification.** You agree to indemnify, defend and hold harmless the Credit Union, its agents and employees against any loss, liability, or expense (including attorneys' fees) resulting from or arising out of any claim by any person in connection with any matters subject to this Agreement.

**23. Terms of Agreement.** The terms contained in this Agreement are in addition to the terms stated in the "Electronic Services Agreement and Disclosure" section of the *Business Account Disclosure and Deposit Agreement*. If any term of this Agreement is held to be invalid, illegal, or unenforceable, the other Agreement terms shall not be affected.

**24. Change in Terms.** Subject to applicable laws, the Credit Union may amend, modify, add to, or delete from this Agreement any of its terms and conditions at any time. You will be notified of any changes. By thereafter using or continuing to use the Credit Union's funds transfer services, you agree to such changes.

**25. Termination.** The Credit Union may terminate this Agreement at any time by giving written or oral notice to you. Unless terminated by the Credit Union, this Agreement shall remain in effect until the Credit Union receives written notice of termination from you and has been afforded a reasonable opportunity to act on such notice. You may not assign this Agreement to any other party.

**26. Governing Law.** Except as otherwise expressly provided by applicable law, this Agreement and all transactions initiated hereunder shall be governed by and construed in accordance with the internal laws of the State of California, notwithstanding any conflict of laws doctrines of such state to the contrary.



**BUSINESS FUNDS TRANSFER AGREEMENT**

By signing below, I acknowledge that I have received a copy, read, and understand the terms and conditions regarding funds transfers as stated in this Funds Transfer Agreement. I authorize the Credit Union to perform funds transfers initiated by me or by any Authorized Agent with the right of access to the account from which the funds transfer is to be made. I understand and agree that all funds transfer transactions are subject to the terms and conditions set forth in this Funds Transfer Agreement, the *Business Account Disclosure and Deposit Agreement*, and the *Fee Schedule*, receipt of all of which is acknowledged and which are incorporated by this reference.

**Account Number:** \_\_\_\_\_

**Business Name:** \_\_\_\_\_

**Authorized Signer:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_