

TERMS AND CONDITIONS OF YOUR ACCOUNT

You understand that, although your ability to join the credit union may be based on your place of employment, continued membership and access to credit union services are not employment benefits and may be provided or withheld based on credit union policies.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT - To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

ACCOUNT VERIFICATION THROUGH A CONSUMER BUREAU - We will verify your application for membership through an account verification service and reserve the right to deny any application based on the results of negative information received through this service. If we deny your application, we will provide you with the name, address and telephone number of the account verification service that provided us with the information.

OFFICE OF FOREIGN ASSET CONTROL (OFAC) - Under the Bank Secrecy Act, the credit union is prohibited from transacting business with persons or entities listed as "blocked" by the Office of Foreign Assets Control (OFAC). The official listing is published in the Federal register and updated from time to time. You agree not to transact business with persons or entities blocked by OFAC.

EFUNDS - If we close your account because of your unsatisfactory handling, fraud, or attempted fraud, or criminal activity, we may disclose information about your account to account verification services, such as ChexSystems/EFunds. Information we report usually includes your name, date of birth, address, social security number or taxpayer identification number, driver's license number and the date and reason the account was closed. The account verification service may supply this information to others. This may adversely impact your ability to establish an account at another financial institution.

FINANCIAL ABUSE REPORTING - Account holder(s) understand(s) and agree(s) that the Credit Union may report known or suspected illegal or fraudulent activity including, but not limited to the following:

- (1) financial abuse involving an elder or dependent adult;
- (2) misuse or abuse of account services;
- (3) where the ownership or collectability of funds are subject to dispute;

to appropriate law enforcement or government entities, as required or permitted by law. In addition, the Credit Union reserves the right to suspend, restrict, deny or terminate account services and activity, including the placement of an administrative hold (freeze) on account proceeds, or take such other actions as deemed necessary under the circumstances. Account holder(s) agree(s) to indemnify and hold the Credit Union harmless from and against all claims, actions, damages, losses, and expenses, including attorneys' fees, as a result of any action or inaction taken in relation to the matters described here.

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws and the laws of the state of California (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

SUSPENSION/DENIAL OF SERVICES - Our goal is to limit services to members who cause the credit union a financial loss, who are abusive, threatening, and dangerous or behave inappropriately to staff and other members. We have the right to suspend the benefit of any credit union service at any time for reasonable cause.

Account services are available to those members in good standing with the credit union. We reserve the right to cancel, suspend services and/or restrict access to credit union premises to a member who is not in good standing, which includes members that have: a delinquent loan; a primary share account balance below the \$25 minimum; an

unresolved deposited returned check; any unpaid and uncollected fees; a negative balance on an account; caused a financial loss to the credit union; failed to meet other obligations, contracts, or agreements with us; habitually mishandle their account; been involved in any fraudulent activity; been convicted of a crime; committed, or threatened, acts of violence against our employees, agents or members; failed to conduct themselves in a civil and business like manner; defaced or destroyed, or attempt to deface or destroy credit union property; failed to comply with applicable law and/or our existing Bylaws and Amendments.

GROUNDS FOR EXPULSION: We can expel you from the credit union if (a) you fail to meet your obligations to the credit union, (b) you cause the credit union a loss in any way (including but not limited to overdrafts, returned items, loan charge off, (c) you fail to comply with our Member Conduct Policy (d) you are convicted of a crime or (e) we learn after establishing your membership that the information that we relied on was false information in determining your eligibility or identity. The fact that we have expelled you from membership will not relieve you of your obligation to pay us any amounts that you owe us.

BYLAWS - Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s). Dividends are based on current earnings and available earnings of the credit union, after providing for required reserves.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement. At our discretion, we also have the right to pay any share draft presented or reclamation for payment from your account after your account is closed or suspended and to recover such amount paid from you.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. You will also be liable for our costs to collect the deficit as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account including, but not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account.

WHO IS BOUND BY THIS AGREEMENT - Each person who signs the Application agrees to be bound by the terms and conditions of the Agreement. If more than one person signs the application, all signers are jointly and severally liable. The Credit Union can waive or delay enforcement of its rights as to one signer without affecting its ability to enforce its rights as to the other signers. The Agreement is also binding upon your heirs, personal representatives and successors.

MULTIPLE SIGNATURES - The credit union does not offer accounts on which two or more signatures are required for withdrawal. If you indicate on your signature card, check or other account document that more than one signature is required for withdrawal, this indication is for your own internal procedures. It is not binding on us. We may pay out funds from your account if the check, item, or other withdrawal instruction is signed or approved by any one of the persons authorized to sign on the account. We are not liable to you if we do this.

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open.

WITHDRAWALS - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us. You agree that, as to any item that we have no opportunity to examine the signatures, such as an electronic check conversion transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation, you waive any requirement of multiple signatures for withdrawal. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. You agree that we may charge fees for overdrafts and use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees. If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect

in the item introduced in the substitute check creation process, you agree that we may pay such item. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

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, including accounts that you own jointly with another person except an Individual Retirement Account.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership on any or all of our accounts. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. As used in this agreement "party" means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account other than as an agent.

INDIVIDUAL PARTY ACCOUNTS - An individual party account is an account owned by one member (individual) qualified for membership. If the account owner dies, the interest passes, subject to applicable law or agreement and subject to other provisions of this agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent and pledges of the account to secure a debt.

JOINT OWNER ACCOUNTS - An account owned by two or more parties is a jointly owned account.

a) Rights of survivorship. Unless otherwise stated on the Membership Enrollment Agreement, a joint account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). A surviving owner's interest is subject to the Credit Union's statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

b) Control of jointly owned accounts. Any owner is authorized to and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all owners to act.

Trust Account Subject to Separate Agreement - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

UNIFORM TRANSFERS TO MINORS ACT (UTMA) ACCOUNT - An account created under the Uniform Transfers to Minors Act (UTMA) is an individual account created by a custodian and/or donor who deposits funds as an irrevocable gift to a minor. The account is established under the California Uniform Transfers to Minors Act. The minor is the owner of the property in the account. The custodian acts for the minor, has possession and control of the account for the exclusive right and benefit of the minor and is the only party entitled to transact business on the account. Rancho Federal has no duty to inquire about the use or purpose of any transaction. If the custodian dies, resigns, or is ineligible to serve and a successor custodian is not named, we will suspend the account until a successor custodian is named or we receive a court order regarding the account.

ACCOUNTS FOR MINORS AND COVERDELL EDUCATION SAVINGS ACCOUNT (ESA) - We require any account established by a minor to be a jointly owned account with an owner who is either the minor's parent, grandparent, or legal guardian, has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless the minor's parent, grandparent, or legal guardian is an account owner, this individual shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. The Coverdell ESA may only be opened on an account already established in the name of the minor and only one parent may be named as the Responsible Individual on the account which may change to the child at the age of majority if this was chosen when the account was established. There is no joint owner on a Coverdell ESA.

FIDUCIARY - This type of account is useful for members when they have special legal responsibilities. The account is established by a Fiduciary. The Fiduciary must be eligible for membership. The account is held by an individual usually acting as Executor, Administrator, or Guardian. If the account is blocked, I understand that I shall file with the court a written receipt including an agreement that the money in the account, including any earnings thereon, shall not be withdrawn except upon court order.

SOLE PROPRIETORSHIP ACCOUNTS - This account is for a business structure in which an individual and his/her company are considered a single entity for tax and liability purposes. A sole proprietorship is a company which is not registered with the state as a limited liability company or corporation. The owner does not pay income tax separately for the company, but he/she reports business income or losses on his/her individual income tax return. The owner is inseparable from the sole proprietorship, so he/she is liable for any business debts.

CORPORATE, PARTNERSHIP, LIMITED LIABILITY COMPANY OR UNINCORPORATED ASSOCIATION ACCOUNTS - If you have a corporate, partnership, limited liability company or unincorporated association account, the persons named on the signature card or share certificate duly authorized to make certification, certify that at a regularly held meeting the person(s) named were elected or appointed officers/managers (LLC) of said corporation, LLC or organization or are duly



Understanding

our

relationship



acting partners of said partnership, and that by virtue of the authority vested in you by the constitution, bylaws or otherwise, any one (1) of the signatories, as named on the signature card or share certificate, is authorized and empowered to transact business of any character whatsoever in connection with the account. You certify that the signature(s) appearing on the signature card or share certificate are the genuine signature(s) of said authorized person(s), and that your authority shall continue in force until written notice to the contrary is received by us.

BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

STOP PAYMENTS - You must make any stop-payment order in the manner required by law and we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity for us to act on it. To be effective, exact information is necessary including, account number, payee, draft/check number, date and amount of the item.

You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

TELEPHONE TRANSFERS - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

AMENDMENTS AND TERMINATION - We may change our bylaws and any term of this agreement. Rules governing changes in rates are provided separately. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We may close this account if your membership in the credit union terminates, or by giving reasonable notice to you and tender of the account balance personally or by mail. At our option, we may suspend your rights to member services if you violate the terms of this agreement. You must keep us informed of your current address at all times. Notice from us to any one of you is notice to all of you.

STATEMENTS - Your duty to report unauthorized signatures, alterations and forgeries - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Your duty to report other errors - In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. You agree that the time you have to examine your statement and report to us will depend on the circumstances. However, such time period shall not exceed 60 days. Failure to examine your statement and report any such errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any such errors on items identified in that statement and as between you and us the loss will be entirely yours.

Errors relating to electronic fund transfers or substitute checks - For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

ACCOUNT TRANSFER - This account may not be transferred or assigned without our prior written consent.

DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If this option is selected, this is a temporary account agreement. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

RIGHT TO REPAYMENT OF INDEBTEDNESS - You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance the due date for which we properly accelerate under the note.

In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien.

Neither our contract rights nor rights under a statutory lien apply to this account if prohibited by law. For example, neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

AUTHORIZED SIGNER (Individual Accounts only) - A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

RESTRICTIVE LEGENDS - We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00."

PLEDGES - Unless we agree otherwise in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

CHECK PROCESSING - We may process items mechanically by relying on the information encoded along the bottom of the items. This means that we may not individually examine all of your items to determine if the item is properly completed, signed and indorsed. You agree that we have not failed to exercise ordinary care solely because we use an automated system to process items and do not inspect all items processed in such a manner. We reserve the right not to inspect each item because using an automated process helps us keep costs down for you and all account holders. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

CHECK CASHING - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

FICTITIOUS BUSINESS NAME ACCOUNTS - If the name in which the account is held is fictitious, each account holder represents that one or more of the account holders have the right to use that name and have fulfilled all legal requirements for using and or doing business under that name.

UNCLAIMED PROPERTY NOTICE - Your property may be transferred to the appropriate state if no activity occurs in the account within the time period specified by state law.

FACSIMILE SIGNATURES - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

REQUIREMENT TO MAINTAIN A REGULAR SAVINGS ACCOUNT

You must open a regular Savings Account to open any subsequent accounts.

You must maintain the regular Savings Account to avoid closure of that account and any subsequent accounts.

PAR VALUE REQUIREMENT - The par value of a share at Rancho Federal is \$25.

You must complete a deposit of one share (\$25) in your Regular Savings Account as a condition of admission to membership. The account will be terminated at the end of two consecutive months if you fail to complete a deposit of one share.

BUSINESS DAYS - Our business days are Monday through Friday, excluding holidays.

DORMANT ACCOUNTS - If you have not made a withdrawal from or a deposit to your account for a period of 12 consecutive months, the account may be considered a dormant account. If you have not made a withdrawal from or a deposit to your account for a period of 24 consecutive months, the account may be considered an inactive account. We may assess a dormant/inactive service charge and deduct the fee from your account balance. If by assessing the dormant service charge the account reaches a zero balance, the account will be closed. Following the period of inactivity prescribed by applicable state law, the account may be presumed abandoned and escheated to the applicable state agency in accordance with such laws. We are relieved of all further responsibility for these funds once your account balance is escheated. Any transaction presented against a dormant account may be returned unpaid. It is your responsibility to keep us informed of your current address at all times.

ADMINISTRATIVE SUSPENSION OF CERTAIN ACCOUNT PRIVILEGES - Should your account maintain a persistent negative balance, or negative status such as dormancy or bad address, the Credit Union reserves the right to administratively suspend your use of the account until the negative issue has been resolved. It is your responsibility to keep us informed of your current address at all times. During any period of administrative suspension the Credit Union may cease providing written statements and will prohibit any access to the account for any purpose until such negative issue has been resolved. Any deposit(s) made to an account, including any deposit by electronic means from any source including government sources, while it is administratively suspended will be accepted by the Credit Union. Such deposit(s) will be deemed by the Credit Union as your good faith effort to retire any negative balance and will be applied against the negative balance in such amounts as are necessary to repay the negative balance in full. Any deposit(s) in excess of the amount necessary to repay the negative balance in full will remain on deposit in your account and will be available on the terms and conditions then applicable to such account. In the event any deposit is made, the Credit Union will provide a written statement for the period in which the deposit is made to the most recent address associated with the account and will continue to provide such statements until the account is otherwise closed by you or again administratively suspended. As used in this section a Persistent Negative Balance shall mean a negative balance of any amount which has existed for no less than 30 consecutive days.

ACCOUNT TERMINATION - We may close your Account at any time without notice to you. Further, for security reasons, we may require you to close your Account and to open a new account if (a) there is a change in authorized signers, (b) there has been a forgery or fraud reported or committed involving your Account, (c) any Account checks are lost or stolen, (d) you have too many transfers from your Account, (e) any other provision of our agreement with you is violated. If we close your Account, we may send you written notice that the Account is closed on the date we closed the Account. We may close the account by sending you a check for the collected balance and giving you notice that we have done so. You agree to notify us of your intention to close your Account, and we hereby reserve the right to request the notice in writing. After the Account is closed, we have no obligation to accept deposits or pay any outstanding checks. You agree to hold us harmless for refusing to honor any check drawn on a closed account.

BENEFICIARY DESIGNATED ACCOUNTS - Any account established with beneficiaries at Rancho Federal is considered a revocable trust account and is an instruction to Rancho Federal that such a single or jointly owned account so designated is payable to the owner(s) during his, her, or their lifetimes and, when the last account owner dies, payable to any named and surviving beneficiary. Qualified beneficiaries ensure share insurance coverage as a revocable trust account. If percentages are not indicated for each beneficiary, accounts payable to more than one surviving beneficiary are owned equally by such beneficiaries without rights of survivorship. The share of any beneficiary who predeceases the account owner will be split equally among the remaining living beneficiary(ies). Any beneficiary designation shall not apply to Individual Retirement Accounts (IRA), which are governed by a separate beneficiary designation. We are not obligated to notify any beneficiary of the existence of any account or the vesting of the beneficiaries interest in any account, except as otherwise provided by law.

FOR CHECKING ACCOUNTS WITH OVERDRAFT COURTESY PAY PROTECTION - The Credit Union recognizes that sometimes you may overdraw your checking account. In such cases the Credit Union may decide to honor checks for which there are insufficient funds. As a member benefit we provide Overdraft Courtesy Pay Protection. A Courtesy Pay fee is charged to your account each time we advance funds to pay an item, at our discretion. This service helps should an overdraft occur. An overdraft occurs when you inadvertently overdraw your account. Our Overdraft Courtesy Pay Program saves you the embarrassment and inconvenience of a returned or declined item. It is also helpful when you have forgotten to make a deposit, transfer or forgotten about an automatic withdrawal. The Overdraft Courtesy Pay Program is designed for your protection. If you do not use the service, there is no fee.

Permission is necessary to provide Overdraft Courtesy Pay Protection for everyday Debit Card purchases and ATM transactions to your account. If you do not Opt-In, your everyday Debit Card purchases and ATM transactions will be declined and we will NOT pay your overdrafts for ATM withdrawals and Debit Card transactions. In order to obtain overdraft coverage on your ATM and Debit Card transactions you are required to Opt-In. You must tell us you want overdraft coverage for these transactions. To request overdraft coverage for your ATM and debit card purchases, please contact us using one of the following methods:

- Log into HYPERLINK "https://www.ranchofcu.org/home_banking_pop.html"
- [@-HomeBanking](#) and click Opt-In/Out on the left side menu

- Call QuickTel 24 hr Teller at 562-803-0329 and select option 4
- Call us toll free at (866) 855-9050 ext 5 to speak to a representative
- By writing to us at PO Box 2728, Downey, CA, 90242

- By completing an Opt-In Form which is provided with this disclosure

The Credit Union will provide you with a confirmation of your Opt-In.

The Credit union may honor overdrafts, including checks, automated debits (ACH), ATM, point of sale (POS) Debit Card transactions, and Bill Pay transactions so long as you are a member in good standing.

When an overdraft is covered, the account will be taken negative by the dollar amount of the overdraft plus that amount of the Courtesy Pay fee. If we honor multiple overdrafts we honor them in the order they are received. The maximum dollar amount of overdrafts the Credit Union will cover for each member is \$500 including fees.

When the Credit Union honors overdraft items, you must deposit funds immediately to your account to remedy the negative balance. Your account may not be negative more than 30 days or it is subject to closure and collection options. The Credit Union may, but is not obligated to, transfer funds from your other accounts with us to cover the overdraft.

The Overdraft Courtesy Pay fee is a flat fee charged regardless of the amount the account is overdrawn and will be charged for each overdraft item presented and paid by the Credit union. The fee charged for Overdraft Courtesy Pay Protection service is described in our fee schedule. The service is a discretionary privilege offered to member and not a right of the membership. The Credit Union encourages you to properly maintain your accounts with us. You agree that the Credit Union will not be held liable for either paying or refusing to pay an overdraft item. The Credit Union reserves the right to discontinue the service at any time without notice.

If you do not want Overdraft Courtesy Pay Protection you must inform the Credit Union by sending us written notice at Rancho Federal CU, PO Box 2728, Downey, CA, 90242.

ELECTRONIC STATEMENTS DISCLOSURE AND SERVICE AGREEMENT

eStatements is the fastest way to receive current and previous statement information

As your financial institution, we are pleased to make this service available to you within your secure Online Banking account at no cost.

This agreement supplements your Rancho Federal Credit Union Online Services Disclosure and Agreement for Electronic Services. You must acknowledge that you have read this Agreement prior to accessing eStatements. Please read this Agreement carefully.

In this Agreement, the words "you" and "your" mean the person who has applied for access to eStatements, the electronic viewing of your statement of accounts. "We", "Our" and "Financial Institution" mean Rancho Federal Credit Union (RFCU).

Important: Please print and retain this consent and agreement.

System requirements - In order to receive and review disclosures and access and retain your eStatements, you will need access to the Internet and be able to run HYPERLINK "<http://www.microsoft.com/windows/ie/default.mspx>" **Internet Explorer** 8.0, HYPERLINK "<http://www.mozilla.org/products/firefox/>" **Firefox** 3.0, or HYPERLINK "<http://www.apple.com/safari/>" **Safari** 4.0 or higher. (HYPERLINK "<http://get.adobe.com/reader/>" **Acrobat Reader** 6 or higher is required to view PDF eStatements.)

The Financial Institution will inform you of any change in hardware or software requirements that may affect your access to or use of eStatements.

Your consent to receive statements electronically - By clicking on the "I Accept" button, you are requesting and agree to receive your periodic account statement, future disclosures required by law, other notices, newsletters, special offers and promotional materials electronically and not to receive a paper statement until specifically requested by you. You further understand that we will notify you by email about any changes in terms or fees to the above services and disclosures. You also understand that these updated disclosures will be made available to you electronically. Your electronic statements will contain the same information as the paper version you have been receiving, which includes: account balances, transaction activity, electronic funds transfer information, year-to-date interest and error notification procedures.

Canceling eStatements - You may cancel eStatements at any time by accessing Online Banking. You may also send an email to members@ranchofcu.org, or call the Financial Institution at (562) 803-6401 or toll-free at (866) 855-9050, or you may write to Online Services, P.O. Box 2728, Downey, CA 90242. Your cancellation will become effective after we have received it and had a reasonable opportunity to act on it. Paper copies of past statements are subject to the standard duplicate statement fee as provided in your Fee Schedule.

Notification - The Financial Institution will notify you through your email address when your eStatement is available for viewing through Online Banking. The Financial Institution uses the email address provided to us to send your eStatements notifications. You are responsible for notifying the Financial Institution of your most current email address. You can do this via online banking, email or by calling the Financial Institution at (562) 803-6401 or toll-free (866) 855-9050.

If the Financial Institution learns that you are no longer receiving our email notifications (for example, an email to you is returned as undeliverable), the Financial Institution may discontinue sending eStatement notifications. The Financial Institution will make a reasonable attempt to redeliver your notification electronically. The Financial Institution is not obligated to verify that you are receiving your eStatement notifications or accessing your eStatement.

Access to eStatements - Customers and account owners acknowledge that anyone with Online Banking access, to your account, may access eStatements. Your eStatements will be available for viewing for a rolling 24 month period.

Our Right to Terminate - You agree that we can terminate your eStatements access and revert to printed mailed statements for any reason at any time.

Our Liability - The Financial Institution will not be responsible for any loss, damage or injury whether caused by the equipment, software and/or Online Banking service, nor shall we be responsible for any direct, indirect, special or consequential damages arising in any way out of the installation, use or maintenance of your equipment, software and/or Online Banking, except where the law requires a different standard. We do not make any warranties concerning the equipment, the software or any part thereof, including without limitations, any warranties for a particular purpose or warranties of merchantability. We also accept no responsibility for your email address or for anyone accessing your emails.

Alterations and Amendments - The terms of this Agreement, applicable fees and service charges may be altered or amended by RFCU from time to time. In such event, RFCU shall send notice to you at your address as it appears on RFCU records. Any continuation of the service after RFCU sends you a notice of change will constitute your agreement to such change(s).

Governing Law - The laws of the state of California and applicable Federal laws and regulations shall govern this Agreement.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Electronic Fund Transfers Initiated By Third Parties. You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your share draft or share savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your share draft or share savings account(s).
- **Electronic check or draft conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills.
- **Electronic returned check or draft charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

QuickTel Telephone Transfers - types of transfers - You may access your account by telephone 24 hours a day at 562-803-0329 using your personal access code, a touch tone phone, and your account numbers, to:

- transfer funds from share draft to share draft or share savings
- transfer funds from share savings to share draft or share savings
- make payments from share draft or share savings to loan accounts with us
- get information about:
 - the account balance of share draft or share savings accounts
 - the last ten deposits to share draft or share savings accounts
 - the last ten withdrawals from share draft or share savings accounts

CARDS

All ATM/Debit Cards and MasterCards are non-transferable and belong to the Credit Union. The Credit Union, may cancel, modify, restrict or suspend the use of any card upon proper notice or without notice if your account is in negative status where caused by bad address and/or overdrawn balance or where necessary to maintain or restore the security of accounts on the network system.

ATM Transfers - types of transfers and dollar limitations - You may access your account(s) by ATM using your Debit Card and personal identification number (PIN), to:

- make deposits to share draft or share savings account(s)
- get cash withdrawals from share draft or share savings account(s)
 - you may withdraw no more than \$500.00 per day
- transfer funds from share savings to share draft account(s)
- transfer funds from share draft to share savings account(s)
- make payments from share draft account(s) to RFCU Line of Credit loan
- get information about:
 - the account balance of your share draft or share savings account(s)

Some of these services may not be available at all terminals.

Types of Debit Card Point-of-Sale Transactions - You may access your share draft account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

Point-of-Sale Transactions - dollar limitation - Using your card:

- you may not exceed \$2,500.00 (signature base) or \$500.00 (PIN base) in transactions per day

Currency Conversion and Cross-Border Transaction Fees. If you effect a transaction with your Debit Card in a currency other than US Dollars, MasterCard will convert the charge into a US Dollar amount. The MasterCard currency conversion procedure includes use of either a government-mandated exchange rate, or a wholesale exchange rate selected by MasterCard. The exchange rate MasterCard uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date of purchase or the date the transaction was posted to your account.

MasterCard charges us a Currency Conversion Assessment of 20 basis points (.2% of the transaction) for performing the currency conversion. In addition, MasterCard charges us an Issuer Cross-Border Assessment of 80 basis points (.8% of the transaction) on all cross-border transactions regardless of whether there is a currency conversion. As a result, we charge you a Currency Conversion fee of .2% and a Cross-Border Transaction fee of .8%. The Cross-Border Transaction fee is charged on all cross-border transactions regardless of whether there is a currency conversion. A cross-border transaction is a transaction processed through the Global Clearing Management System or the MasterCard Debit Switch in which the country of the merchant is different than the country of the cardholder.

Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

@HOMEBANKING ONLINE TRANSACTIONS - You may access your account(s) by computer, through the internet, by logging onto our website and using your account number(s) and personal access code(s). There are no fees or charges for accessing your account(s) through @HomeBanking.

Types of Available Transactions:

1. Make inquiries and check balances regarding accounts, shares and loans
2. View transaction history and download account history to Quicken and/or Microsoft Money
3. Make transfers between your accounts and shares
4. Make transfers to pay loan payments
5. Withdraw funds from your shares by check, made payable to you and mailed to your address we have on record

WEBPAY - WebPay Service lets you pay your bills online through WebPay Service. You can pay anyone in the United States that you would normally pay by check or automatic debit, even if you do not receive bills from the company or person you want to pay. You understand that when you set up WebPay services you must designate one of your share accounts with us as your WebPay funding account.

FEES

- We do not charge for direct deposits to any type of account.
- We do not charge for preauthorized payments from any type of account.
- Please refer to our separate fee schedule for additional information about fees.

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

ATM Operator/Network Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 562-803-6401 to find out whether or not the deposit has been made.
- **Periodic statements.**

You will get a monthly account statement from us for your share draft and share savings accounts.

PREAUTHORIZATION HOLDS

Generally, a hold is placed on your account for point-of-sale transactions until the transaction posts to your account, up to maximum of five days, whichever occurs first. A transaction may be processed by the merchant which may cause your account balance to go into a negative balance under the following circumstances:

- The merchant does not check your account for sufficient funds to approve the transaction. This practice is known as a "floor limit." No hold is placed on your account for the purchase.
- The merchant verification is for a small amount (generally \$1) instead of the higher actual purchase amount. Therefore the hold placed on your account is lower than the actual purchase.

- The merchant verification is for a maximum purchase limit rather than the lower actual purchase amount. The hold placed on your account is higher than the amount of the actual purchase.

- The transaction posts after the five day hold expires.

- The merchant or terminal cannot obtain an authorization from their processing center because of interruption in the electronic connection between the site and the credit union. The transaction may be approved using lower pre-determined "stand-in" limits.

PREAUTHORIZED PAYMENTS

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this brochure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

Please refer to our separate fee schedule for the amount we will charge you for each stop-payment order you give.

- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

OUR LIABILITY FOR FAILURE TO MAKE TRANSFERS

If we do not complete a transfer to or from your account on time or in the correct amount to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will NOT be liable, for instance if:

1. through no fault of ours, you do not have enough money in your account to make the transaction;
2. the transaction would go over the limit on your overdraft line;
3. the terminal where you are making the transaction does not have enough cash;
4. the terminal or network system was not working properly and you knew about the breakdown when you started the transaction;
5. circumstances beyond our control (such as fire, flood, power failure, or computer down-time) prevented the transaction, despite reasonable precautions that we have taken;
6. the money in your account is subject to an uncollected funds hold, legal process or any other encumbrance or agreement restricting a transaction;
7. your ATM/Debit Card has expired, is damaged so that the terminal cannot read the encoding strip, is inactive or because your PIN has been entered incorrectly;
8. your ATM/Debit Card or PIN has been reported lost or stolen and we have blocked the account; or
9. if the failure to complete the transaction is done to protect the integrity of the system or to protect the security of your account.

There may be other exceptions not specifically mentioned above.

CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) as explained in the separate Privacy Disclosure.

UNAUTHORIZED TRANSFERS

(a) Consumer liability.

• *Generally.* Tell us at once if you believe your card and/or PIN, QuickTel and/or @Homebanking access code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. This also includes suspicious transactions while your card remains in your possession. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you believe your card and/or PIN, QuickTel and/or @Homebanking access code has been lost or stolen, and you tell us within 2 business days after you learn of the loss or theft of your card and/or PIN, QuickTel and/or @Homebanking access code you can lose no more than \$50 if someone used your card and/or PIN, QuickTel and/or @Homebanking access code without your permission. Also, if you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or PIN, QuickTel and/or @Homebanking access code, and we can prove we could have stopped someone from using your card and/or PIN, QuickTel and/or @Homebanking access code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers made by card, code or other means that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

If you disclose your PIN or access codes to anyone, however, you understand that you have given them access to your account(s) and that you are responsible for any such transaction. You further understand that access codes are not transferable and you will not disclose the access codes to anyone else or permit any unauthorized use thereof.

• *Limited Liability for Debit Card.* Your liability is further limited if your card can be used to initiate a transaction for which you are not required to provide identifying information, such as a Personal Identification Number. You could lose all the money in your account. Your liability for the unauthorized use of your card will be no more than \$50 if you notify us of the unauthorized use. However, you will not be liable for any point-of-sale transactions, if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, (ii) you have not reported to us two or more incidents of unauthorized use within the prior twelve-month period, and (iii) your account is in good standing. This additional limitation on liability does not apply to PIN-based transactions or transactions not processed by MasterCard. If any of these conditions are not met, your liability is the lesser of \$50 or the amount of money, property, labor, or services obtained by the unauthorized use before notification to us.

If you fail to notify us of an unauthorized use that appears on a periodic statement within 60 days of our transmittal of the statement, and we can establish that we could have prevented the unauthorized use if you had notified us within this period, you will be liable for each unauthorized transfer (other than MasterCard® point-of-sale transactions) that occurs after the close of the 60 days and before you give us notice. Regardless, your liability for unauthorized point-of-sale transactions will be no more than \$50, as described above.

If you fail to notify us because of extenuating circumstances beyond your control that contributed to your delay in notifying us, such as a serious physical impairment or hospitalization, this time period may be extended.

(b) Contact in event of unauthorized transfer. If you believe your card and/or PIN, QuickTel and/or @Homebanking access code has been lost or stolen, call or write us at the telephone number or address listed in this brochure. You should also call the number or write to the address listed in this brochure if you believe a transfer has been made using the information from your check or draft without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number (if any).
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) 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 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

RANCHO FEDERAL CREDIT UNION
ACCOUNTING DEPARTMENT
12620 ERICKSON AVENUE, P.O. BOX 2728
DOWNEY, CALIFORNIA 90242
Business Days: Monday through Friday
Excluding Federal Holidays
Phone: 562-803-6401

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your ATM card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

MONEY MARKET ACCOUNT

Rate Information:

The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

Minimum balance requirements:

The minimum required to open this account is \$2,500.00.

You must maintain a minimum daily balance of \$2,500.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

During any statement cycle, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

SPECIAL SAVINGS ACCOUNT (SHARE)

Rate Information:

The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:

You must maintain a minimum daily balance of \$1,000.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

During any statement cycle, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

CHRISTMAS CLUB ACCOUNT

Rate Information:

The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:

You must maintain a minimum daily balance of \$100.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

On October 31st there must be a minimum balance of \$150.00 for this account to remain open.

You may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, telephonic order or instruction, or similar order to a third party.

SHARE CERTIFICATE ACCOUNTS

Rate Information - The dividend rate on your term share account is _____% with an annual percentage yield of _____%. You will be paid this rate until first maturity.

Compounding frequency - Dividends will be compounded every month.

Crediting frequency - Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly.

Minimum balance requirements:

The minimum balance required to open this account is \$1,000.00.

You must maintain a minimum daily balance of \$1,000.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

Deposits can only be made for seven days after the opening or renewal date.

You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty.

You can only withdraw dividends credited in the term before maturity of that term without penalty. You can withdraw dividends anytime during the term of crediting after they are credited to your account.

Time requirements - Your account will mature _____.

Early withdrawal penalties (a penalty may be imposed for withdrawals before maturity) -

- If your account has an original maturity of one year or less:
The penalty we may impose will equal 90 days dividends on the amount withdrawn subject to penalty.
- If your account has an original maturity of more than one year:
The penalty we may impose will equal 180 days dividends on the amount withdrawn subject to penalty.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

Withdrawal of dividends prior to maturity - The annual percentage yield is based on an assumption that dividends will remain in the account until maturity. A withdrawal will reduce earnings.

Automatically renewable account - This account will automatically renew at maturity. You may prevent renewal if you call by phone, we receive written notice from you before maturity of your intention not to renew, or you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any). We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, your funds will be placed in a dividend-bearing account.

Each renewal term will be the same as the original term, beginning on the maturity date. The dividend rate will be the same we offer on new term share accounts on the maturity date which have the same term, minimum balance (if any) and other features as the original term share account.

You will have a grace period of seven calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

IRA SHARE CERTIFICATE ACCOUNTS

Rate Information - The dividend rate on your term share account is _____% with an annual percentage yield of _____%. You will be paid this rate until first maturity.

Compounding frequency - Dividends will be compounded every month.

Crediting frequency - Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly.

Minimum balance requirements:

The minimum balance required to open this account is \$100.00.

You must maintain a minimum daily balance of \$100.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

You may make additions into your account up to the maximum allowed.

There are no limitations on the frequency or timing of additions, except that no additions can be made in the last seven days before maturity.

You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty.

You can only withdraw dividends credited in the term before maturity of that term without penalty. You can withdraw dividends anytime during the term of crediting after they are credited to your account.

Time requirements - Your account will mature _____.

Early withdrawal penalties (a penalty may be imposed for withdrawals before maturity) -

- If your account has an original maturity of one year or less:
The penalty we may impose will equal 90 days dividends on the amount withdrawn subject to penalty.
- If your account has an original maturity of more than one year:
The penalty we may impose will equal 180 days dividends on the amount withdrawn subject to penalty.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

Withdrawal of dividends prior to maturity - The annual percentage yield is based on an assumption that dividends will remain in the account until maturity. A withdrawal will reduce earnings.

Automatically renewable account - This account will automatically renew at maturity. You may prevent renewal if you call by phone, we receive written notice from you before maturity of your intention not to renew, or you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any). We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, dividends will not accrue after final maturity.

Each renewal term will be the same as the original term, beginning on the maturity date. The dividend rate will be the same we offer on new term share accounts on the maturity date which have the same term, minimum balance (if any) and other features as the original term share account.

You will have a grace period of seven calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

RESTRICTED CHRISTMAS CLUB ACCOUNT

Rate Information - The dividend rate on your term share account is _____% with an annual percentage yield of _____%. You will be paid this rate until first maturity.

Compounding frequency - Dividends will not be compounded.

Crediting frequency - Dividends will be credited to your account at maturity. You must maintain a minimum balance of \$150.00 in the account on October 31st in order to receive dividends.

Dividend period - For this account type, the dividend period is at maturity (10/31).

Minimum balance requirements:

No minimum balance requirements apply to this account.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

You may make unlimited additions into your account.

There are no limitations on the frequency or timing of additions, except that no additions can be made in the last seven days before maturity.

If any withdrawal is made from this account before October 31st, then this account may be closed.

You may make withdrawals of principal from your account before maturity. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty.

You cannot withdraw dividends from your account before maturity.

Time requirements - Your account will mature _____.

Early withdrawal penalties (a penalty may be imposed for withdrawals before maturity) -

The penalty we may impose will be a \$10.00 early withdrawal fee.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

Automatically renewable account - This account will automatically renew at maturity. You may prevent renewal if you call by phone, we receive written notice from you before maturity of your intention not to renew, or you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any). We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, dividends will not accrue after final maturity.

Each renewal term will be the same as the original term, beginning on the maturity date. The dividend rate will be the same we offer on new term share accounts on the maturity date which have the same term, minimum balance (if any) and other features as the original term share account.

There is no grace period following the maturity of this account during which you may withdraw the funds without being charged an early withdrawal penalty.

COMMON FEATURES

Bylaw requirements:

You must complete payment of one share (\$25.00) in your Regular Share account as a condition of admission to membership. The account will be terminated at the end of two consecutive months if you fail to complete payment of one share.

Transaction limitation - We reserve the right to at any time require not less than seven days notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D.

Nature of dividends - Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. (This disclosure further explains the dividend feature of your non-term share account(s).)

National Credit Union Share Insurance Fund - Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund.

The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: share draft, in-person withdrawal, ATM withdrawal, or other electronic means.

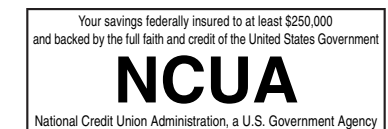
Please refer to our separate fee schedule for additional information about charges.

Please refer to our separate rate sheet for current dividend rate and annual percentage yield information.

Rancho Federal CREDIT UNION

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