

TABLE OF CONTENTS

TERMS AND CONDITIONS OF YOUR ACCOUNT	1
Important Information About Procedures for Opening a New Account.....	1
Account Verification Through a Consumer Bureau.....	1
Office of Foreign Asset Control (OFAC).....	1
EFunds.....	1
Financial Abuse Reporting.....	1
Agreement.....	1
Suspension/Denial of Services.....	1
Grounds For Expulsion.....	2
Bylaws.....	2
Liability.....	2
Who Is Bound By This Agreement.....	2
Multiple Signatures.....	2
Deposits.....	2
Withdrawals.....	2
Understanding and Avoiding Overdraft and Nonsufficient Funds (NSF) Fees.....	2
For Checking Accounts With Overdraft Courtesy Pay Protection.....	3
Ownership of Account and Beneficiary Designation.....	3
Individual Party Accounts.....	3
Joint Owner Accounts.....	3
Uniform Transfers to Minors Act (UTMA) Account.....	3
Accounts for Minors and Coverdell Education Savings Account (ESA).....	3
Sole Proprietorship Accounts.....	3
Corporate, Partnership, Limited Liability Company or Unincorporated Association Accounts.....	3
Business, Organization and Association Accounts.....	3
Stop Payments.....	3
Telephone Transfers.....	4
Amendments and Termination.....	4
Notices.....	4
Statements.....	4
Account Transfer.....	4
Direct Deposits.....	4
Temporary Account Agreement.....	4
Right to Repayment of Indebtedness.....	4
Authorized Signer.....	4
Restrictive Legends or Indorsements.....	4
Facsimile Signatures.....	4
Pledges.....	4
Check Processing.....	4
Check Cashing.....	4
Fictitious Business Name Accounts.....	4
Unclaimed Property Notice.....	4
Indorsements.....	4
Death or Incompetence.....	5
Fiduciary Accounts.....	5
Credit Verification.....	5
Legal Actions Affecting Your Account.....	5
Account Security.....	5
Telephonic Instructions.....	5
Monitoring and Recording Telephone Calls and Consent to Receive Communications.....	5
Claim of Loss.....	5
Early Withdrawal Penalties.....	5
Address or Name Changes.....	5
Resolving Account Disputes.....	5
Waiver of Notices.....	5
ACH and Wire Transfers.....	5
Requirement to Maintain a Regular Savings Account.....	5
Par Value Requirement.....	5
Business Days.....	5
Dormant Accounts.....	5
Administrative Suspension of Certain Account Privileges.....	5
Account Termination.....	5
Beneficiary Designated Accounts.....	5
ELECTRONIC STATEMENTS DISCLOSURE AND SERVICE AGREEMENT	6
ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES	6
YOUR ABILITY TO WITHDRAW FUNDS	8
SUBSTITUTE CHECKS AND YOUR RIGHTS	8
TRUTH-IN-SAVINGS DISCLOSURE	9
Regular Savings Account (Share).....	9
Checking Account (Share Draft).....	9
Money Market Account.....	9
Special Savings Account (Share).....	9
Christmas Club Account.....	10
Share Certificate Accounts.....	10
IRA Share Certificate Accounts.....	10
Restricted Christmas Club Account.....	10
Vacation Club Account.....	11
Common Features.....	11

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.

When signing our membership application at account opening, you authorized Rancho Federal CU to use your credit report for marketing purposes, including but not limited to loan pre-approvals, and in consideration whether to offer other products and services.

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 and retain it for future reference. 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, the laws of the state of California and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (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. Nothing in this document is intended to vary our duty to act in good faith and with ordinary care when required by law.

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. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. 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, without notice to you, 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 we can deduct any amounts deposited into the account and apply those amounts to the shortage. 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 be liable for our costs 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. This includes, but is 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. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

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 you only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. 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. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

WITHDRAWALS

Generally - 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.

Postdated checks - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated 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. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

Checks and withdrawal rules - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify it as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

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.

Cash withdrawals - We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument.

You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

Multiple signatures, electronic check conversion, and similar transactions - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

UNDERSTANDING AND AVOIDING OVERDRAFT AND NONSUFFICIENT FUNDS (NSF) FEES

Generally - The information in this section is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee or an NSF fee. Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee. If an item is returned because the available balance in your account is not sufficient to cover the item and the item is presented for payment again, we will charge an NSF fee each time we return the item because it exceeds the available balance in your account. If, on representation of the item the available balance in your account is sufficient to cover the item, we may pay the item, and, if the payment causes an overdraft, charge an Overdraft Courtesy Pay Fee.

We authorize and pay transactions using the available balance in your account. We may place a hold on deposited funds in accordance with our Funds Availability Policy, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of any Overdraft Courtesy Pay Protection limit and any available Overdraft Transfer Protection. If you are not given consent for the authorization and payment of overdrafts caused by ATM and everyday debit card transactions, the available balance for these transactions is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available Overdraft Transfer Protection, but does NOT include the Overdraft Courtesy Pay Protection limit. If you have given us your prior consent to authorize and pay overdrafts for ATM and everyday debit card transactions, the Overdraft Courtesy Pay Protection limit is included in the available balance for authorizing and paying these transactions.

Determining your available balance - As the name implies, your available balance is calculated based on the money "available" in your account to make payments. We use the "available balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your "available" balance may not be the same as your account's "actual" balance. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). This means an overdraft or an NSF transaction could occur regardless of your account's actual balance. In other words, the available balance takes transactions that have been authorized, but not yet settled, and subtracts them from the actual balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the actual balance. We will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transactions. When the hold ends, the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, an Overdraft Courtesy Pay fee may be assessed.

For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled: "A temporary debit authorization hold affects your account balance."

Overdrafts - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not consented to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

You promise to pay the Credit Union immediately upon demand for any negative (overdraft) balance arising in your account, unless you have available Overdraft Courtesy Pay Protection. If you do not have Overdraft Courtesy Pay Protection, 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.

Nonsufficient funds (NSF) fees - If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, you agree that we can charge you an NSF fee for returning the payment. Be aware that such an item or payment may be presented multiple times and that we do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you an NSF fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

Payment types - Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. A debit card transaction might be authorized by use of a PIN, a signature, or a chip. An example of an ACH transaction is a preauthorized payment you have set up on a recurring basis. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account. For information about how and when we process these different payment types, see the "Payment order of items" subsection below.

Balance information - Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

Funds availability - Knowing when funds you deposit into your checking account will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our funds availability disclosure for information on when different types of deposits will be made available for withdrawal. For those accounts to 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. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. 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 times 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.

A temporary debit authorization hold affects your account balance - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

Payment order of items - The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

Our policy is to process ACH credits first, in the order they are received on the day they are processed. We process ACH debits second, in the order they are received on the day they are processed. We process drafts third, in the order they are received on the day they are processed. We process PIN based debit card transactions are posted in real time fourth, in the order they are received on the day they are processed. We process signature/credit transactions are posted to the account when settled by merchant fifth, in the order they are received on the day they are processed.

If a check, item or transaction is presented without sufficient funds in your account to pay it, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. We will not charge you a fee for paying an overdraft of an ATM or one-time debit card transaction if this is a consumer account and you have not consented to that service. The amounts of the overdraft and NSF fees are disclosed elsewhere, as are your rights to consent to overdraft services for ATM and one-time debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

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. Multiple Courtesy Pay fees may be imposed on the same item if presented multiple times. 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 elect and consent to Extended Coverage, 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 must consent to Extended Overdraft Courtesy Pay Protection. You must tell us you want overdraft coverage for these transactions. Extended Coverage on your ATM and debit card purchases, please contact us using one of the following methods:

- 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 Extended Coverage Consent form, which is available at www.ranchofcu.org.

The Credit Union will provide you with a confirmation of your consent for Extended Overdraft Courtesy Pay Protection.

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 \$750 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. Multiple Courtesy Pay fees may be imposed on the same item if presented multiple times. 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.

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.

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 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 signatures, 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. You represent that you have the authority to open and conduct business on this account on behalf of the entity. 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 - Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite 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. Limitations on the number of telephonic transfers from a savings account are described elsewhere.

AMENDMENTS AND TERMINATION - We may change our bylaws and any term of this agreement. Rules governing changes in rates are provided separately in the Truth-in-Savings disclosure or in another document. 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. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items and charges to be paid from the account. Only a joint tenant that is a member can close an account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. At our option, we may suspend your rights to member services if you violate the terms of this agreement. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

NOTICES - Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive it in time to have a reasonable opportunity to act on it. If the notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Written notice we give you is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we have on file. Notice to any 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 or problems - 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 or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any 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 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., on-line, mobile, 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.

Duty to notify if statement not received - You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft.

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

DIRECT DEPOSITS - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, 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 the account documentation indicates that 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 any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

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. The owner does not give up any rights to act on the account, and the authorized signer may not in any manner affect the rights of the owner or beneficiaries, if any, other than by withdrawing funds from the account. The owner is responsible for any transactions of the authorized signer. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

The owner may terminate the authorization at any time, and the authorization is automatically terminated by the death of the owner. However, we may continue to honor the transactions of the authorized signer until: (a) we have received written notice or have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an authorized signer.

RESTRICTIVE LEGENDS OR INDORSEMENTS - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

FACSIMILE SIGNATURES - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing 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. You give us this authority 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. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

PLEDGES - 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 process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

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.

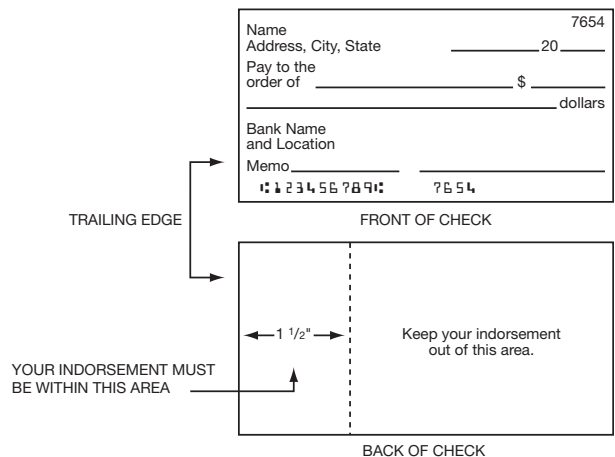
FICTITIOUS BUSINESS NAME ACCOUNTS - If the name in which the account is held is fictitious, each account holder represents that one or more of the account holders have the right to use that name and have fulfilled all legal requirements for using and/or doing business under that name.

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.

INDORSEMENTS - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement. These indorsement guidelines apply to both personal and business checks.

DEATH OR INCOMPETENCE - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

FIDUCIARY ACCOUNTS - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

CREDIT VERIFICATION - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

LEGAL ACTIONS AFFECTING YOUR ACCOUNT - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

ACCOUNT SECURITY

Duty to protect account information and methods of access - It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

Positive pay and other fraud prevention services - Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue: a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

TELEPHONIC INSTRUCTIONS - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

MONITORING AND RECORDING TELEPHONE CALLS AND CONSENT TO RECEIVE COMMUNICATIONS - Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account we may need to contact you about your account from time to time by telephone, text messaging or email. However, we first obtain your consent to contact you about your account in compliance with applicable consumer protection provisions in the federal Telephone Consumer Protection Act of 1991 (TCPA), CAN-SPAM Act and their related federal regulations and orders issued by the Federal Communications Commission (FCC).

- Your consent is limited to your account, and as authorized by applicable law and regulations.
- Your consent is voluntary and not conditioned on the purchase of any product or service from us.

With the above understandings, you authorize us to contact you regarding your account throughout its existence using any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us..

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device.

If necessary, you may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us.

CLAIM OF LOSS - If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals) - We may impose early withdrawal penalties on a withdrawal from a time or term share account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by the enforcement of our right to repayment of indebtedness against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

ADDRESS OR NAME CHANGES - You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

RESOLVING ACCOUNT DISPUTES - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

WAIVER OF NOTICES - To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

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 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. Credit entries may be made by ACH. 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.

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.

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.msp>" **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 \$1,000.00 (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 you a Currency Conversion Assessment of 20 basis points (.2% of the transaction) for performing the currency conversion. In addition, Mastercard charges you an Issuer Cross-Border Assessment of 90 basis points (.9% 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 .9%. 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 disclosure 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 according 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 disclosure. You should also call the number or write to the address listed in this disclosure 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 disclosure, 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.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lit. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all accounts.

Our policy is to make funds from your check deposits available to you on the second business day after the day we receive your deposit, with the first \$225 available on the first business day after the day of your deposit. Electronic direct deposits will be available on the day we receive the deposit. Cash, wire transfers, and some specified check deposits will also be available before the second business day, as detailed below. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If you make a deposit at an ATM before 3:00 P.M. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at an ATM after 3:00 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Same-Day Availability

Funds from electronic direct deposits to your account will be available on the day we receive the deposit.

Next-Day Availability

Funds from the following deposits are available on the first business day after the day of your deposit:

U.S. Treasury checks that are payable to you.

Wire transfers.

Checks drawn on Rancho Federal Credit Union.

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first business day after the day of your deposit:

Cash.

State and local government checks that are payable to you.

Cashier's, certified, and teller's checks that are payable to you.

Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit.

Other Check Deposits Subject to Second-Day Availability

The first \$225 from a deposit of other checks will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit.

For example, if you deposit a check of \$700 on a Monday, \$225 of the deposit is available on Tuesday. The remaining \$475 is available on Wednesday.

LONGER DELAYS MAY APPLY

Funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.

You deposit checks totaling more than \$5,525 on any one day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as failure of computer or communications equipment.

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

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth business day after the day of your deposit. This rule does not apply at ATMs that we own or operate.

All ATMs that we own or operate are identified as our machines.

SUBSTITUTE CHECKS AND YOUR RIGHTS

As our member we think it's important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights.

So you will recognize substitute checks when you receive them, we have included a copy of the front side of a substitute check along with an explanation of the substitute check's components.

What is a substitute check?

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What are my rights regarding substitute checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that you withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:

Rancho Federal Credit Union

P.O. Box 2728

Downey, CA 90242

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include —

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: the check number, the amount of the check, the date of the check, and the name of the person to whom you wrote the check.

SUBSTITUTE CHECK IMAGE

Below is an image of a sample substitute check. The numbers listed below the image correspond with the numbers on or near the substitute check image and the corresponding text explains the various components of a substitute check.

68-4567/123
DATE Oct 28, 2004

4321

Pat Payor
101 Your Street
Your City, USA 10101

PAY TO THE ORDER OF ABC Company
one hundred forty-seven and 50/100 DOLLARS

Security Features Detailed on Back

\$ 147.50

MP

Pat Payor

Memo School supplies

Your Financial Institution
Your City, USA 10101

051000033
10/28/2004
3112003355102116

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

[121000374] 10/28/2004
0025671467874451

① ② ③ ④ ⑤ ⑥

These numbers correspond with the numbers on the Substitute Check Image:

- 1 An image of the original check appears in the upper right-hand corner of the substitute check.
- 2 A substitute check is the same size as a standard business check.
- 3 The information in asterisks relates to the "reconverting bank"—the financial institution that created the substitute check.
- 4 The information in brackets (appears sideways facing check image) relates to the "truncating bank"—the financial institution that took the original check out of the check processing system.
- 5 The Legal Legend states: *This is a LEGAL COPY of your check. You can use it the same way you would use the original check.*
- 6 The MICR lines at the bottom of the image of the original and at the bottom of the substitute check are the same except for the "4" at the beginning of the MICR line on the substitute check, which indicates that it is a substitute check being moved forward for collection purposes. It is also possible for the MICR line on the substitute check to begin with a "5" if the item is being returned. The rest of the MICR line is the same as the original check to ensure that it is processed as though it were the original.

TRUTH-IN-SAVINGS DISCLOSURE

REGULAR 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:

The minimum required to open this account is the purchase of a share in the credit union. Please see the bylaw requirements in the Common Features section for additional information.

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.

Par value of a share:

The par value of a share in this account is \$25.00.

CHECKING ACCOUNT (SHARE DRAFT)

Overdrafts - The Credit Union is under no obligation to pay a check which exceeds the balance in an account; the Credit Union may, however, pay such a check and recover or obtain a refund of the amount of the resulting overdraft plus a service charge from any of the Account holders of this account, each of whom expressly agrees that each Account holder is jointly and severally liable for any and all overdrafts of the account and any and all associated costs created by any Account holder.

Minimum balance requirements:

The minimum required to open this account is \$25.00.

Closure of Checking Account - The Credit Union may close a checking account at any time. Closure of a checking account will not affect the obligation to pay any outstanding balances or charges owed.

Transaction limitations:

No transaction limitations apply to this account unless otherwise stated in the Common Features section.

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:

There is no minimum deposit to open 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:

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

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.

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:

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

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.

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 November 1st of each year.

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.

VACATION 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 May 31st in order to receive dividends.

Dividend period - For this account type, the dividend period is at maturity (5/31).

Minimum balance requirements:

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

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.

If any withdrawal is made from this account before May 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 June 1st of each year.

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, 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 demand 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.

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