

ELECTRONIC SERVICES DISCLOSURE AND AGREEMENT

PLEASE KEEP THIS
BROCHURE FOR
YOUR RECORD

This Disclosure supersedes all
Disclosures prior to the effective
date shown below.

Effective April 1, 2004



Administrative Branch

2261 East Valley Parkway • Escondido, CA 92027-2713
Phone: (760) 839-6225 Fax: (760) 746-1189
Monday - Friday 9:00 am - 5:00 pm

City Hall Branch

201 North Broadway • Escondido, CA 92025-2798
Phone: (760) 839-4606 Fax: (760) 740-9409
Monday - Friday 9:00 am - 5:00 pm
Closed on Fridays that City Hall is closed

24-Hour Audio Response Teller Service (ARTS)
(760) 747-ARTS (2787)

EFCU Personal On-Line Teller at www.escondidofcu.com

Email us at: EFCU@escondido.org

ELECTRONIC SERVICES DISCLOSURE AND AGREEMENT

In the following Agreement, the words "YOU" and "YOUR" mean each and all of those who apply for and/or use any of the electronic services described in this Disclosure and Agreement. The words "WE", "US", "OUR", "Credit Union" and "EFCU" mean ESCONDIDO FEDERAL CREDIT UNION.

This Disclosure and Agreement is given in compliance with the Electronic Funds Transfer Act (15 U.S.C., 1693, et. seq.) and Regulation E (12 CFR 205, et. seq.) to inform you of certain terms and conditions of the electronic funds transfer services you have requested.

At the present time, ESCONDIDO FEDERAL CREDIT UNION participates in several types of services that may be accomplished by electronic transfer: preauthorized deposits of net paycheck; preauthorized deposit of payroll deduction; preauthorized deposit (Direct Deposit) of pension checks and Federal Recurring Payments (for example, Social Security payments); preauthorized payments to a third party (for example, insurance premiums and mortgage payments); preauthorized transfers from another financial institution; "ARTS Line" telephone banking; Personal On-Line Teller (Home Banking); Money Card (Debit Card); and automated teller machine (ATM) electronic funds transfer (EFT) services; transactions at a point of sale (POS) terminal whether or not an access device is used; a check conversion to an EFT transaction such as when you provide a check to a merchant for the merchant to capture the routing, account and serial numbers to initiate a transfer, whether the check is blank, partially or fully completed and signed and regardless of where the check is presented to the merchant or whether you or the merchant or the Credit Union retains the check. Disclosure information for each service is given below and followed by general disclosure information applicable to all electronic services. You understand that the agreements, rules and regulations applicable to your Regular Share Account, Share Draft Account, and any other applicable account, remain in full force and effect and continue to be applicable except as specifically modified by this Disclosure and Agreement.

Your acceptance, retention or use of the ATM Card, MasterMoney Debit Card, or Personal Identification Number (PIN) constitutes an agreement between us and you as described below.

CARDHOLDER AGREEMENT

If so designated on the Membership Application, you hereby apply to Escondido Federal Credit Union for an ATM Card and/or MasterMoney Debit Card (herein referred to as "Card") privileges and agree to all of the following terms and conditions.

1. The term "Card" means any MasterMoney Debit Card or ATM Card subject to this Agreement as disclosed. The Card is the property of the Credit Union and you agree to surrender the Card to the Credit Union promptly upon demand. We may cancel, modify or restrict the use of the Card upon proper notice or without notice if your account is overdrawn, if we are aware that you have violated any term of the Disclosure and Agreement (whether or not we suffered a loss) or where necessary to maintain or restore the security of your account(s) or the ATM system.
2. The Credit Union issues the Card for your use only. You assume responsibility for all transactions made through the Card to include access to any lines of credit or Share Accounts or Share Draft Accounts under this account number.
3. You will be assigned a Personal Identification Number (PIN). At no time will you reveal or make available, directly or indirectly, the Personal Identification Number to any other person.

4. Any loss or theft of the Card and/or PIN must be promptly reported to the Credit Union. You may report your ATM Card or MasterMoney Debit Card by calling (760) 839-6225 during business hours. After hours MasterMoney Debit Card only in U.S. (800) 754-4128.
5. The use of the Card is subject to regulations on Share Accounts, Share Draft Accounts, and any lines of credit. You agree not to withdraw funds in excess of the balance in your Share or Share Draft Account, including any agreed upon line of credit.
6. You agree to pay all fees or costs and authorize Escondido Federal Credit Union to withdraw any fees or costs or overdrafts created from any of your available accounts.
7. All deposits are credited subject to verification as required by applicable Federal regulations and your account agreement.
8. You agree that when you deposit a check, draft or other non-cash item, the Credit Union has the right to collect those funds before making the money available to you, as outlined in the Funds Availability policy.
9. Nothing in this agreement shall be deemed to annul, limit or in any way modify any other obligation or relationship you may have with the Credit Union now or hereafter.

ADDITIONAL DISCLOSURES APPLICABLE TO CARD TRANSACTIONS

TRANSACTIONS AVAILABLE: You may access your account(s) by ATM using your ATM card and PIN or MasterMoney Debit Card and PIN, to:

1. Make deposits to Share Draft or Share Account(s) only at Escondido Federal Credit Union and CO-OP ATMs.
2. Get cash withdrawals from Share Draft, Share or Loan Account(s)
3. Transfer funds between Share Draft, Share and Loan Account(s)
4. Get information about Account balances.

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

You may use your ATM Card or MasterMoney Debit Card in automated teller machines (ATMs) identified with a logo for any network or system as we may designate.

You agree to follow the instructions posted or otherwise given by us or any ATM network accessed by the ATM Card or MasterMoney Debit Card.

ACCOUNT ACCESS: The ATM services made available to you depend on the type of account(s) you maintain.

LIMITATION ON TRANSACTIONS: You may make ATM cash withdrawals up to \$305 from each ATM's or POS transactions up to the balance of the account each 24-hour period as long as your available balance will cover the transaction. Various institutions which participate in networks of which the Credit Union is a member may have withdrawal limits different from the amount set forth herein. In the event that a specific ATM is so limited, you may not be able to withdraw more than the cash limit of that particular ATM. There are no limits on the number of daily POS transactions you may make.

ADDITIONAL TRANSACTIONS AVAILABLE (MasterMoney Debit Card): In addition to the above you may use the MasterMoney Debit Card and PIN to:

1. Withdraw cash from your Account(s) at ATMs, merchants, or financial institutions that display the logo of an ATM Network affiliated with the Credit Union.
2. Make PIN based purchases.

You may use the MasterMoney Debit Card without the PIN to:

1. Purchase goods or services at places that accept MasterMoney Debit Cards.
2. Order goods or services by mail, internet or telephone from places that accept MasterMoney Debit Cards.

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

Use of the MasterMoney Debit Card, the Account number on the Card, the PIN or any combination of the three for payments, purchases, or to obtain cash from merchants, financial institutions, ATMs or others who honor the MasterMoney Debit Card is an order by you for the withdrawal of the amount of the transaction from your Account and is authorization to the Credit Union to provide account balance information, make the requested transfer or accept deposits to your account. Each transaction with the MasterMoney Debit Card will be charged to your Account on the date the transaction is posted to your Account.

When you use your MasterMoney Debit Card to pay for goods or services at a merchant or Point-of-Sale terminal, or to obtain cash, you use it as a debit card and it works like a check you write on your account. Your MasterMoney Debit Card is not a credit card which means you may not defer payment of MasterMoney Debit Card transactions.

When you use your MasterMoney Debit Card, you must follow the merchant's or financial institution's rules and you may be asked to sign a sales slip. Some merchants may impose a fee for MasterMoney Debit Card use and we will not be liable for that fee or if the merchant or financial institution refuses to accept your MasterMoney Debit Card or MasterMoney Debit Card number.

We may debit or place a hold on funds in your account(s) for a transaction either on the day it is presented to us for payment, by electronic or other means, or on the day we receive notice of the transaction, whichever is earlier.

If a merchant or financial institution requests an authorization for a transaction you want to conduct, we may place a hold on your account(s) for the amount authorized. As a result, you will not have access to the funds on hold, other than for the transaction authorized, until the hold expires.

You may not stop payment on a MasterMoney Debit Card transaction. Furthermore, in the event of a dispute with a merchant, you may have to settle directly with that merchant. If the merchant misrepresents the quality, price or warranty of the goods or services in which you paid with your MasterMoney Debit Card, you indemnify us of all damages and liability which results from the misrepresentation. If you breach or do not fulfill the terms of your agreement, you also indemnify us for all resulting damage and liability.

LIMITATIONS ON DOLLAR AMOUNTS AND FREQUENCY OF TRANSACTIONS (MasterMoney Debit Card): The following limitations apply to the use of the MasterMoney Debit Card:

1. **PIN BASED PURCHASES:** You are limited to the amount on deposit in your Account and/or daily limit, whichever is less, for PIN based purchases.
2. **SIGNATURE BASED PURCHASES:** You are limited to the amount on deposit in your Account and/or daily limit, whichever is less.
3. There are no limitations to the frequency of MasterMoney Debit Card transactions imposed by the Credit Union; however, there may be limitations imposed by the merchant or the terminal.

CONFIDENTIALITY OF PIN: You agree to hold your Personal Identification Number (PIN) in strict confidence, and you will notify the Credit Union immediately if the MasterMoney Debit Card, or ATM Card, or PIN is lost or stolen. As a precaution you should:

1. Never write your PIN on your MasterMoney Debit Card, or ATM Card or any material carried near or with your card.
2. Never let anyone else use your Card.
3. Never let anyone watch you use your Card or PIN at an ATM.

If you forget your PIN you may contact us and a duplicate will be issued at a charge set forth in our Fee Schedule.

You understand that the use of the PIN to access Credit Union accounts will acknowledge acceptance of the following terms and conditions:

1. The Credit Union registers the PIN for your use only. You assume responsibility for all transactions made through the systems.
2. The PIN is the property of the Credit Union and is subject to cancellation at any time. You may cancel your PIN privileges at anytime by notifying Escondido Federal Credit Union in writing at 2261 East Valley Parkway, Escondido, CA 92027-2713.
3. You understand that the PIN which has been provided or which you have selected is personal and confidential. Therefore, you agree to take all reasonable precautions that no one else learns your PIN. At no time will you reveal or make available, directly or indirectly, the PIN to any other person.
4. Any loss or theft of your PIN must be promptly reported by calling the Credit Union at (760) 839-6225. Once issued, the Credit Union does not maintain a record of the PIN selected; if the PIN is lost or stolen you must apply for a new PIN.
5. The use of your PIN is subject to all agreements and regulations on Share Draft and Share Accounts. You agree not to withdraw funds in excess of the balance in your accounts, including any agreed upon line of credit.
6. If a PIN is requested for a joint account, you agree to be jointly and severally liable under the terms of this Agreement.

DEPOSITS: You understand and agree that we accept funds deposited at an ATM subject to verification and collection, and receipts issued by an ATM are binding only after verification. Funds deposited by check may be unavailable for withdrawal until collected by the Credit Union. The delay will depend upon Credit Union policies as permitted by law, and you should refer to the Credit Union's Disclosure of Funds Availability Policy for details.

TRANSACTION AUTHORIZATION: By using your ATM Card or MasterMoney Debit Card in conjunction with your PIN at an ATM, you authorize the Credit Union to provide account balance information or to make withdrawals and transfers into or from your accounts with the Credit Union, in accordance with the instructions given to the automated teller machine. Furthermore, you authorize the Credit Union to make advances on your Line of Credit loan.

If you authorize us to issue an ATM Card or MasterMoney Debit Card (or any other access device) to anyone else, or if you permit any person to use your Card, you authorize that individual to withdraw funds from any account (including your Line of Credit account) which can be accessed by the ATM Card or MasterMoney Debit Card, regardless of whether that individual is authorized to withdraw funds from the account by means other than the use of the ATM Card or MasterMoney Debit Card.

OVERDRAFT TO A LINE OF CREDIT: If you have a Line of Credit in conjunction with your Share Draft Account, then you may use that line of credit to fund any overdraft on your Share Draft Account caused by ATM access. Other than by the specific overdraft provision agreed to by you separately, you may not use your ATM or MasterMoney Debit Card(s) to overdraft your Share Draft Account, your Share Account, or your Line of Credit, unless applicable. However, if you do overdraft, you authorize us to cover the overdraft as follows:

1. **Overdrawn Share Draft Account:** Withdraw funds from your Share Account or make a cash advance from your Line of Credit, if any, or make a withdrawal from your other accounts, including accounts on which you are a joint owner.
2. **Overdrawn Share Account:** Withdraw funds from your Share Draft Account or make a cash advance from your Line of Credit, if any, or make a withdrawal from your other accounts, including accounts on which you are a joint owner.
3. **Overdrawn Line of Credit:** Withdraw funds from your Share Account, Share Draft Account or from your other accounts, including accounts on which you are a joint owner.

Overdrafts which cannot be honored are payable upon demand and may result in termination of your account(s).

DOCUMENTATION OF TRANSFERS: You will receive a receipt at the time you make any transaction at an ATM or have MasterMoney Debit Card activity. You should retain this receipt to compare with your statement. Also, you will receive periodic statements at least quarterly, and you will receive a monthly statement for any account which had ATM or MasterMoney Debit Card activity during the month.

ILLEGAL TRANSACTIONS: You are prohibited from using your ATM Card, MasterMoney Debit Card, your Card numbers or PINs for illegal transactions including, but not limited to, illegal internet gambling. You agree to indemnify the Credit Union for illegal transactions you conduct using your ATM Card or MasterMoney Debit Card, the Card numbers or PIN.

NOTICE OF ATM DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM). 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.
2. Mark each transaction in your account record, but not while at the ATM. Always save your ATM receipts. Don't leave them at the ATM 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.
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. 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. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM.
9. Don't accept assistance from anyone you don't know when using an ATM.
10. 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.
11. 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.
12. 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.
13. We want the ATM to be safe and convenient for you. Therefore, please tell us if you know of any problem with the 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.

**DISCLOSURES APPLICABLE TO
ARTS LINE AUDIO RESPONSE
TELEPHONE BANKING
AND (HOME BANKING)**

By requesting ARTS Line Audio Response and/or Personal On-Line Teller you have requested that ESCONDIDO FEDERAL CREDIT UNION provide you with a confidential Personal Identification Number (PIN) for access to our ARTS Line Audio Response telephone banking service and Personal On-Line Teller (Home Banking) (This PIN will be different from your ESCONDIDO FEDERAL CREDIT UNION MasterMoney Debit Card PIN).

GOVERNING DOCUMENTS: Your use of ARTS Line Audio Response or Personal On-Line Teller is governed by this Disclosure and Agreement (and any application you sign for these programs) and any other agreements you have with us concerning the transaction you are conducting through these services such as a credit card, loan or line of credit agreement. These other agreements are not changed by you using ARTS Line Audio Response or Personal On-Line Teller.

ONLINE E-MAIL COMMUNICATIONS: You can communicate with us via electronic mail (e-mail) by logging on to our web site and following the instructions for contacting us. However, you may only e-mail us general questions and not account information questions. We will not respond to account information related questions sent to us via e-mail. Also, you should not send us any confidential account information via e-mail. You cannot perform transactions on your account via e-mail. You cannot request a stop payment or report an unauthorized transaction via e-mail. Since these types of requests require expeditious handling, you must make these requests by calling or mailing us. You agree that we may take a reasonable amount of time to act on any e-mail we actually receive from you. Any information you receive from us in response to your e-mail questions is provided on a best-efforts basis and is believed to be reliable but cannot be guaranteed. We are not responsible for any deficiencies in the accuracy, completeness, availability or timelessness of such information or any investment or other decision you make using this information. We will only

respond to e-mails from the e-mail address we have on file for you. If you change your e-mail address, you must notify us in writing before your address changes.

MEMBER ACCESS AND RESPONSIBILITY: When you instruct us through ARTS Line Audio Response or Personal On-Line Teller to transfer funds between your Accounts you authorize us to transfer or withdraw the necessary funds from the Account you designate. You agree not to instruct us to transfer funds from an Account which has insufficient funds to complete the transaction and we may not complete the transaction unless there are available funds in the designated Account.

ARTS LINE AND PERSONAL ON-LINE TELLER SERVICE: Service is available for your convenience 24 hours a day, seven days a week, with minor interruptions for system maintenance.

If the wrong PIN is entered three (3) times consecutively, ARTS Line Audio Response or Personal On-Line Teller will restrict access. Please contact the Credit Union to restore access.

Types of transactions available. You may use ARTS Line Audio Response or Personal On-Line Teller to:

1. Obtain account/loan balance information;
2. Obtain loan payment due date and payoff information;
3. Obtain last dividend, date and amount;
4. Obtain clearance of specific checks;
5. Request check withdrawals from your Share Draft and Share Account(s);
6. Transfer funds between your Share Draft and Share Account(s);
7. Transfers funds between your Line of Credit, Share Draft and Share Account(s);
8. Access your Line of Credit for loan advancements by check;
9. Place a 'Stop Payment' order on a specific check or range of checks as indicated on the Fee Schedule; (ARTS Line only);
10. Download transaction information to personal financial management software from Share Draft, Share and loans; (Personal On-Line Teller only) and
11. Make loan payments.

OTHER TRANSACTION LIMITATIONS: There are no dollar limitations on transfers. However, you are limited to six transfers from Share, Club or Money Market Accounts.

The total dollar amount of each transaction via ARTS Line Audio Response or Personal On-Line Teller is subject to sufficient verified funds available to satisfy your transaction instructions.

The frequency of preauthorized, automatic or telephone transfers is limited pursuant to Regulation D restrictions as disclosed on page 13.

VERIFICATION AND POSTING OF TRANSACTIONS: Transactions made through ARTS Line Audio Response or Personal On-Line Teller are binding only after verification by the Credit Union.

NOTE: Credit Union checks are prepared for withdrawals requested on ARTS Line Audio Response or Personal On-Line Teller only and will be mailed to your address of record. Checks will be mailed on the next business day.

ARTS LINE AND PERSONAL ON-LINE TELLER PIN: You understand that you cannot use ARTS Line Audio Response/ Personal On-Line Teller without a PIN, which we refer to as your ARTS Line Audio Response/ Personal On-Line Teller PIN (or password). You are responsible for the safekeeping of your ARTS

Line Audio Response/ Personal On-Line Teller PIN provided by the Credit Union, or as changed by you, and for all transactions accomplished by using ARTS Line Audio Response/ Personal On-Line Teller.

If you disclose your ARTS Line Audio Response/ Personal On-Line Teller PIN to anyone, however, you understand that you have given them access to your Accounts via ARTS Line Audio Response/ Personal On-Line Teller and that you are responsible for any such transactions. You are responsible for all transfers and withdrawals you authorize using ARTS Line Audio Response/ Personal On-Line Teller. If you permit non-authorized persons to use ARTS Line Audio Response/ Personal On-Line Teller or your PIN, you are responsible for any transactions they conduct.

You further understand that your ARTS Line Audio Response/ Personal On-Line Teller PIN is not transferable and you will not disclose your ARTS Line Audio Response/ Personal On-Line Teller PIN or permit any unauthorized use thereof.

We are authorized to act on any instructions received under your ARTS Line Audio Response/ Personal On-Line Teller PIN.

PERIODIC STATEMENT: You will receive a periodic statement at least quarterly, and will receive a monthly statement for any Account which has ARTS Line Audio Response/ Personal On-Line Teller activity during the month.

OUR LIABILITY FOR ARTS LINE AND PERSONAL ON-LINE TELLER SERVICES: Except as specifically provided in this Agreement or where the law requires a different standard, you agree that neither we nor any Internet or commercial on-line access or browser provider (such as America Online, CompuServe, Netscape or Microsoft, collectively called "Service Providers") shall be responsible for any loss, property damage or bodily injury, whether caused by the equipment, software, the Credit Union, OR by Service Provider OR by an agent or subcontractor of any of the foregoing with respect to the Personal On-Line Teller Service. Nor shall we or the Service Providers be responsible for any direct, indirect, special or consequential, economic or other damages arising in any way out of the installation, use or maintenance of the equipment, software, the Personal On-Line Teller services, or Internet browser or access software. Neither we nor the Service Providers are responsible for any computer viruses. Further, we will only be responsible for acting on instructions sent through Personal On-Line Teller or ARTS Line which are actually received by us. Except as otherwise stated in this Agreement or as required by law, our entire liability and the liability of any Service Provider and your exclusive remedy with respect to Personal On-Line Teller or ARTS Line services is the replacement of any browser or software, if any, provided by us to you.

In those states which do not allow for the exclusions or limitation of liability for consequential or incidental damages, our liability is limited the extent permitted by law.

NO WARRANTIES: NEITHER WE NOR ANY SERVICE PROVIDER MAKES ANY EXPRESS OR IMPLIED WARRANTIES CONCERNING THE ARTS LINE OR PERSONAL ON-LINE TELLER, SOFTWARE OR BROWSER, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD PARTY PROPRIETARY RIGHTS UNLESS DISCLAIMING SUCH WARRANTIES IS PROHIBITED BY LAW.

DISCLOSURES APPLICABLE TO PREAUTHORIZED DEPOSIT OF NET PAYCHECK, PAYROLL DEDUCTIONS, PENSION CHECKS AND FEDERAL RECURRING PAYMENTS

If you have arranged to have preauthorized electronic deposits of your net paycheck, payroll deductions, pension checks or Federal Recurring Payments (for example, Social Security payments), the following information applies to you.

ACCOUNT ACCESS: Preauthorized deposits, with the exception of payroll deductions, may be made to your Share or Checking Account(s) only.

NOTIFICATION OF PREAUTHORIZED DEPOSITS: If you have arranged with a third party (for example, the Social Security Administration) to make preauthorized deposits to your account at least once every sixty (60) days, that third party making preauthorized deposits may have agreed to notify you every time the party sends us money to deposit to your account. If you have not made such an arrangement, you may telephone us at (760) 839-6225 and we will advise you whether or not the preauthorized deposit has been made.

DOCUMENTATION OF PREAUTHORIZED DEPOSITS: You will receive a monthly statement for each month in which a deposit is made, but at least quarterly if no deposits are made.

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

DISCLOSURES APPLICABLE TO PREAUTHORIZED PAYMENT SERVICES

If you have requested a preauthorized payment to a third party from any Credit Union account, the following information applies to you.

ACCOUNT ACCESS: Preauthorized payments may be made from your Share or Share Draft Account(s) only.

Right to receive documentation of preauthorized payment.

1. **INITIAL AUTHORIZATION:** You can get copies of the preauthorized payment documentation from the third party being paid at the time you give them the initial authorization.
2. **NOTICE OF VARYING AMOUNTS:** If your preauthorized payment may vary in amount, the party who will receive the payment is required to tell you ten (10) days before each payment, when it will be made and how much it will be. You may agree with the person being paid to receive this notice only when the payment will differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.
3. **PERIODIC STATEMENTS:** You will receive a monthly statement for each month in which a transfer is made, but at least quarterly if no transfers are made.

RIGHT TO STOP PREAUTHORIZED PAYMENT: If you want to stop any preauthorized payment, here's how:

Call us at (760) 839-6225, or write us at ESCONDIDO FEDERAL CREDIT UNION, 2261 East Valley Parkway, Escondido, CA 92027-2713 in time for us to receive your stop request three (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 fourteen (14) days after you call or the oral stop pay order will cease to be binding. The stop payment order will apply only to a particular payment; however, if the item is resubmitted by the payee, we will continue to honor the stop payment order and may suspend future payments to the payee until you authorize us to resume payments. To terminate the entire pre-authorized payment arrangement with the payee, you must contact the payee. You can also notify us that the pre-authorized payment has been terminated. You must sign an affidavit with us stating that you have notified the payee of the termination in the manner specified by the payee within 14 days of your oral notice to us otherwise the oral notice will cease to be binding.

OUR LIABILITY FOR FAILURE TO STOP PAYMENT: If you order us to stop one of your preauthorized payments three (3) business days or more before the transfer is scheduled and we do not do so, we will be liable for losses or damages, to the extent provided by law. There is a Stop Payment Fee as disclosed on the Service Pricing Schedule, which has been provided with this Disclosure and Agreement and which is fully incorporated by reference herein.

GENERAL DISCLOSURES APPLICABLE TO ALL ELECTRONIC SERVICES

Business Day Disclosure: Our business days are Monday through Friday, except federal holidays.

In case of errors or questions about your electronic funds transactions. Telephone us at (760) 839-6225, or write us at ESCONDIDO FEDERAL CREDIT UNION, 2261 East Valley Parkway, Escondido, CA 92027-2713 as soon as you can if you think your statement or receipt is wrong or if you need more information about a transaction listed on the statement or transaction receipt. You must tell us no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number.
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 ten (10) business days.

We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct any error promptly. If we need more time, however, we may instead take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will provisionally re-credit your account within ten (10) business days for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not recredit your account.

If we decide that there was no error, we will send you a written explanation within three (3) business days after we finish our investigation.

EXCEPTION: We have up to twenty (20) business days to provisionally credit your account if the notice of error involves an electronic funds transfer to or from an account within thirty days after the first deposit to the account was made (i.e. a new account). For new account transactions, or foreign-initiated transactions, or resulting from point-of-sale debit card transactions (including all debit card transactions, those for cash only, at merchants' POS terminals, and also including mail and telephone orders), we may take up to 90 calendar days to complete our investigation.

POINT-OF-SALE TRANSFER EXCEPTION: We will provide provisional credit within five (5) business days of notification for unauthorized point-of-sale transfers, other than a cash disbursement at an ATM. Except that if we determine that the circumstances or your account history warrant a delay, you will receive credit within ten (10) business days.

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

OUR LIABILITY FOR FAILURE TO MAKE OR COMPLETE ELECTRONIC FUNDS TRANSACTIONS: If we do not complete a transaction to 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, your account does not contain enough money (or sufficient collected funds) to complete the transactions.
2. The transaction requested would exceed an unused credit limit.
3. The automated teller machine where you are making the transaction does not have enough cash.
4. The automated teller machine, terminal or electronic system being used, was not working properly and you knew about the breakdown when you started the transaction.
5. Circumstances beyond our control (such as fire, flood, earthquake, electrical failure or malfunction of central data processing facility, etc.) prevent the transaction, despite reasonable precautions that we have taken
6. Your ATM Card, MasterMoney Debit Card, PIN or ARTS Line Audio Response PIN you provide is incorrect or incomplete, has been reported lost or stolen, has expired, is damaged so that the ATM cannot read the encoding strip, is retained by us at your request, or your ATM PIN, MasterMoney Debit Card PIN, ARTS Line Audio Response PIN has been repeatedly entered incorrectly.
7. Failure to complete the transaction if done to protect the security of your account and/or the electronic terminal system.
8. We received incorrect or incomplete information from you or from third parties (e.g. U.S. Treasury, and automated clearing house or a terminal owner).
9. You are in default on an account you are attempting a transfer.
10. You fail to properly follow ARTS Line Audio Response or applicable software instructions on how to make a transfer or payment.
11. There is a malfunction in your personal computer browser and/or software.
12. The transfer could not be completed due to system unavailability or a telecommunication or Service Provider Failure.
13. There may be other exceptions.

DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES. We will disclose information to third parties about your account or transaction only;

1. Where it is necessary for completing a transaction.
2. To verify the existence and condition of your account for a third party, such as a credit bureau or merchant.
3. In order to comply with a government agency or a court order, subpoena or other legal document.
4. If you give us your written permission.
5. In our discretion, to our affiliates.

YOUR LIABILITY FOR UNAUTHORIZED TRANSACTIONS AND ADVISABILITY OF PROMPT REPORTING: Tell us AT ONCE if you believe your MasterMoney Debit Card or ATM Card, PIN or ARTS Line Audio Response or Personal On-Line Teller PIN has been lost, stolen or discovered by an unauthorized person. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account(s), (plus your maximum line of credit). If you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50.00 if someone used your ATM Card or MasterMoney Debit Card.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your ATM Card or MasterMoney Debit Card PIN or ARTS Line Audio Response or Personal On-Line Teller PIN, and we can prove we could have stopped someone from using your ATM Card, ATM PIN, or ARTS Line Audio Response or Personal On-Line Teller PIN, without your permission if you had told us, you can lose as much as \$500.00.

Also if your statement shows transactions that you did not make, tell us AT ONCE. If you do NOT tell us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time.

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

EXCEPTION FOR CERTAIN MASTERMONEY DEBIT CARD TRANSACTION: You will generally not be liable for the unauthorized use of your MasterMoney Debit Card when such use is deemed a "MasterCard Transaction" by MasterCard International (such as use of the Card to purchase goods or services from merchants.) When such use is not deemed a "MasterCard Transaction" by MasterCard International (such as use of the Card to obtain a cash advance at an ATM), or where you have not exercised reasonable care in safeguarding your Card, or when you have reported two (2) or more incidents of unauthorized use within the preceding twelve (12) months, or where your Account is not in good standing, you may be liable for such unauthorized use. In any case, you will not be liable for unauthorized use that occurs after you notify us orally or in writing, of the loss, theft, or possible unauthorized use, and your liability will not exceed \$50.

If you authorize someone else to use your ATM Card, MasterMoney Debit Card or PIN you are responsible for all transactions which that person initiates at any time, even if the amount of the transaction exceeds what you authorize.

Telephone number and address to be notified in the event of unauthorized transactions. If you believe your ATM Card, MasterMoney Debit Card or ARTS Line Audio Response or Personal On-Line Teller PIN has been lost or stolen or that someone has transferred or may transfer money from your account without permission, you must contact us. You may report your ATM or MasterMoney Debit Card by calling (760) 839-6225 during business hours. After hours MasterMoney Debit Card only in U.S. (800) 754-4128. You may also write us at ESCONDIDO FEDERAL CREDIT UNION, 2261 East Valley Parkway, Escondido, CA 92027-2713, ATTN: Member Services Department.

FEES AND CHARGES FOR ELECTRONIC TRANSACTION SERVICES: All charges associated with our electronic funds transactions are subject to the ESCONDIDO FEDERAL CREDIT UNION Account Fees Schedule, which has been provided with this Disclosure and Agreement and which is fully incorporated by reference herein.

Notice regarding ATM fees by others. If you use an automated teller machine that is not operated by us, you may be charged a fee by the operator of the machine and/or by an automated

transfer network. You may be charged a fee for a balance inquiry even if you do not complete a funds transfer.

CHANGE IN TERMS: The Credit Union may change any term and condition of this Disclosure and Agreement at any time, but the Credit Union will give you at least twenty-one (21) days written notice of any change which would result in a greater cost or liability, or which would limit your access to accounts (except where a change is necessary for security reasons), or as otherwise provided by law or regulation.

COLLECTIONS: You agree that the Credit Union shall be entitled to recover any money owed by you as a result of your use of ATMs or other "electronic services" and you agree to repay any withdrawals which create an overdrawn balance on any of your accounts. The Credit Union has security interest in your present and future shares or deposits and has the right to apply shares or deposits to any money you owe. If any legal action is required to enforce any provision of this Disclosure and Agreement or to recover money owed by you, you agree to pay all costs, including attorney's fees.

DISCLOSURE OF DELAYED FUNDS AVAILABILITY: We may place a hold for uncollected funds on an item you deposit. This could delay your ability to withdraw such funds. For further details see our Disclosure of Funds Availability Policy or consult a Credit Union officer.

TERMINATION OF ELECTRONIC SERVICES: You may, by written request and by actually discontinuing use of the electronic service, terminate any of the electronic services provided for in this Disclosure and Agreement. Termination by any one account owner will be binding on all account owners and we are not required to notify other account owners of the termination. Electronic Services will automatically terminate if you close all of your accounts with us. In addition, electronic services may be suspended, without advance notice, if there are insufficient funds in any one of your accounts or if any of your accounts are not in good standing. After suspension, electronic services may be reinstated, at our discretion, once there are sufficient funds in your accounts to cover any fees and other transfers and debits. We may terminate electronic services or your right to make electronic funds transactions at any time upon written notice. However, we reserve the right to terminate electronic services immediately, and without notice, if the terms and conditions of any account agreement have been breached by you or any of your accounts are not in good standing. Upon termination by you or us you will cut and return to us all cards issued in connection with this Agreement. Termination of electronic services does not terminate your accounts or agreements with us and will not affect your authorization for transfers and payments made prior to termination.

VERIFICATION: All transactions affected by use of the ATMs, ATM Card, MasterMoney Debit Card, and PIN, ARTS Line Audio Response and PIN which would otherwise require your signature, or other authorized signature, shall be valid and effective as if signed by you when accomplished by use of the ATM Card and PIN, MasterMoney Debit Card and PIN, ARTS Line Audio Response PIN.

REGULATION D RESTRICTIONS ON ELECTRONIC FUNDS TRANSFERS: During any month, you may not make more than six withdrawals or transfers from your Share or Money Market Accounts to another Credit Union account of yours or to a third party by means of a preauthorized or automatic transfer or telephonic (such as ARTS Line Audio Response, fax or personal computer) order or instruction. No more than three of the six transfers may be made by check, draft, **debit card**, or similar order to a third party. You may make an unlimited number of withdrawals from, or transfers among, your Share Accounts by mail, messenger or in person at the Credit Union or at an ATM.

You may also make an unlimited number of withdrawals from your Share Accounts through ARTS Line Audio Response if you request that we send you a check.

Transfers in excess of the above limitations may not be honored.

ACH AND WIRE TRANSFERS: ACH and Wire Transfers you instruct us to make on your behalf are subject to Article 4A of the Uniform Commercial Code - Funds Transfers, as adopted in California and Regulation J. If you originate a funds transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by Automated Clearing House Association Rules. These Rules provide, among other things, that payment made to you, or originated by you, are provisional until final settlement is made through the Federal Reserve Bank or payment is otherwise as provided in Article 4A-403(a) of the Uniform Commercial Code. If we receive a credit to an account you have with us by Fedwire or ACH, we are not required to give you any notice of the payment order or credit.

NOTICES: Any notice sent to you by the Credit Union will be effective when mailed to your last known address as shown on the Credit Union records.

COPY RECEIVED: You acknowledge receipt of a copy of this Disclosure and Agreement.

OTHER AGREEMENTS: Other agreement between you and the Credit Union controlling Share Accounts and Share Draft Accounts continue to apply, except to the extent expressly modified by this Disclosure and Agreement.

APPLICABLE LAW: This Disclosure and Agreement shall be construed and governed in accordance with the laws of the State of California.

NOTICE: IF YOU DO NOT AGREE TO THE TERMS OF THIS DISCLOSURE AND AGREEMENT, DESTROY YOUR ATM OR MASTERMONEY DEBIT CARD IMMEDIATELY BY CUTTING IT IN HALF, AND RETURN IT TO ESCONDIDO FEDERAL CREDIT UNION, 2261 EAST VALLEY PARKWAY, ESCONDIDO, CA 92027-2713.

