

ELECTRONIC SERVICES AGREEMENT

This Online Banking Agreement and Disclosure ("Agreement") describes your rights and obligations as a user of the USE Credit Union's Online Banking and Bill Presentment service or the Bill Payment service ("Services"). It also describes the rights and obligations of USE Credit Union ("Credit Union"). Please read this Agreement carefully. By requesting and using one of these Services, you agree to comply with the terms and conditions of this Agreement.

I. Definitions

The following definitions apply in this Agreement:

1. "Authorized Representative" refers to a person with authority (with respect to the account);
2. "Bill Payment" is the online service that enables the scheduling of bill payments using a internet-enabled device;
3. "Fixed Payment" is a scheduled payment which recurs in the same amount at regular weekly, biweekly, monthly, semi-monthly, quarterly, annual or semi-annual intervals;
4. "ISP" refers to your Internet Service Provider;
5. "Online Banking" is the internet-based service providing access to your USE Credit Union account(s);
6. "Online Account" means the USE Credit Union account from which you will be conducting transactions using a Service;
7. "Password" is the system-generated code sent to you by USE Credit Union for use during the initial sign-on, or the codes you select after the initial sign-on, that establishes your connection to the Service;
8. "PC" means your personal computer which enables you, with the Internet browser and ISP, to access your Online Account;
9. "Time of day" references are to Pacific Standard Time;
10. "Member Number" is the USE Credit Union-generated identification code assigned to you for your connection to the Service;
11. "Variable payment" is an unscheduled payment which is executed on the basis of each individual bill;

12. "We", "us", or "Credit Union" refer to USE Credit Union which offers the Services and which holds the accounts accessed by the Services. For credit cards, these terms refer to Visa Card Services, California; and

13. "You" or "your" refers to the owner of the account or the authorized representative.

II. Access to Services

The Credit Union will provide instructions on how to use the Online Banking service or Bill Payment service. You will gain access to your Online Accounts through the use of your Internet-enabled device, your ISP, your Password and your User ID.

If you require personal service during banking hours, the Credit Union's Member Service Center is available as follows:

Monday, Tuesday, Thursday, Friday: 8:00 a.m. - 6:00 p.m.

Wednesday: 9:00 a.m. - 6:00 p.m.

Saturday: 9:00 a.m. – 4:00 p.m.

III. Banking Transactions with Online Banking

A. Account Access. You may access your USE Credit Union accounts online.

B. Transfer funds. In addition to viewing account information, you may use Online Banking to conduct the transfer of funds among your checking accounts, savings accounts and money market accounts. NOTE: Because regulations require the Credit Union to limit preauthorized transfers (including Online Banking transfers), the following limitations apply:

- Statement savings account. You can make no more than six (6) transfers per statement period by preauthorized or automatic transfer or by telephone or Online Banking.

- Money Market savings account. You can make no more than six (6) transfers per statement period by preauthorized or automatic transfer or by telephone or Online Banking and no more than three (3) of these may be by check, draft or debit card.

C. Additional Services. New services may be introduced for Online Banking from time to time. The Credit Union will notify you of the existence of these new services. By using these services when they become available, you agree to be bound by the rules which will be made available to you concerning these services.

D. Cut-Off Times. Payments or transfers entered on our system before 5:00pm PST on a credit union business day will be scheduled and begin processing on the same business day. Payments that are received or entered after this cut-off time or on a day that is a non-credit union business day will be scheduled and processed the next

business day. Payments and transfers applicable to cut-off times include payments made to loans, lines of credit, or credit card accounts; transfers and payments between accounts (or loans, lines of credit, or credit card accounts) within the same member number; and transfers and payments between accounts (or loans, lines of credit, or credit card accounts) of different member numbers.

IV. Schedule of Fees

The Credit Union offers the benefits and convenience of the Online Banking service to you free. The Bill Payment service is free for certain qualifying checking accounts. For non-qualifying accounts, the Bill Payment service will be a flat fee of \$5.50 a month. The fee will be deducted automatically from the Bill Payment account you specify. You are not charged an additional fee for using multiple Bill Payment accounts.

V. Statements

You will continue to receive your regular account statement either monthly or quarterly, depending on the type of account.

VI. Use of Your Security Password

You are responsible for keeping your password and Online Account information confidential. In order to protect yourself against fraud, you should adhere to the following guidelines:

- Do not give out your account information, Password, or User ID;
- Do not leave your internet-enabled device unattended while you are in the Credit Union's Online Banking Site;
- Never leave your account information within range of others; and
- Do not send privileged account information (account number, Password, etc.) in any public or general e-mail system.

If you believe your Password has been lost or stolen, or if you suspect any fraudulent activity on your account, call the Credit Union immediately at 1-866-USE-4-YOU (873-4968) between the hours of 8:00 a.m. to 6:00 (Pacific Standard Time), Monday through Friday. Telephoning the Credit Union is the best way of minimizing your losses and liability. If you notify the Credit Union within two (2) business days after you learn of the loss or theft of your Password, your liability will not exceed \$50.00 should someone use your account without your permission. If you do NOT notify the Credit Union within two (2) business days after the loss or theft of your Password, your liability could be as

much as \$500.00, if the Credit Union establishes that the use of your Password could have been prevented had the Credit Union been notified within that two-day period.

If you believe your Password has been lost or stolen, please use the Password change feature within the Online Banking section of the Web site to change your Password.

If you send the Credit Union an e-mail message, the Credit Union will be deemed to have received it on the following business day. You should not rely on e-mail if you need to report an unauthorized transaction from one of your accounts or if you need to stop a payment that is scheduled to occur.

· NOTE: E-mail transmissions outside of the Online Banking site are not secure. We advise you not to send us or ask for sensitive information such as account numbers, Passwords, account information, etc. via any general or public e-mail system. If you wish to contact us electronically, please use the E-mail function provided in our Online Banking site. Use this secure form to e-mail the Credit Union regarding inquiries about an electronic funds transfer error resolution, reporting unauthorized transactions, or contacting the Credit Union regarding other concerns of a confidential nature.

VIII. Business Accounts

If you are a business, any authorized user of your business is authorized on such terms, conditions, and agreements as we may require to:

- Enter into this Agreement, as amended from time to time;
- Access each account of yours in any manner and for any purpose available through the Service, whether now available or available at some time in the future; and
- Use any Online banking service in any manner and for any purpose available through the Service, whether now available or available at some time in the future.

IX. Term and Termination

A. Term. This Agreement will become effective on the Effective Date and shall remain in full force and effect until termination in accordance with the following provisions.

B. Termination for Cause. We may immediately terminate your electronic banking privileges (including the Bill Payment Service) without notice to you under the following circumstances:

1. You do not pay any fee required by this Agreement when due or,
2. You do not comply with the agreement governing your deposit or loan accounts or,
3. Your accounts are not maintained in good standing.

We will promptly notify you if we terminate this Agreement or your use of the Services for any other reason.

C. Termination for Convenience. To terminate this Agreement, you must notify the Credit Union and provide your name, address, the Service(s) you are discontinuing, and the termination date of the Service(s). When Bill Payment is terminated, any prescheduled bill payments made through Online Banking will also be terminated. Your final charge for the Bill Payment service will be assessed at the end of your statement cycle. You may notify the Credit Union by one of the following methods:

- By sending an e-mail to memberservice@usecu.org ;
- By calling 1-866-USE-4-YOU (873-4968); or
- By writing a letter and either sending it to the following address: Attention: Research Department, Member Service Center, USE Credit Union, 10120 Pacific Heights Blvd., San Diego, CA 92121 or giving it to a Member Service Representative at any of the Credit Union's locations.

If you are not paying a monthly service charge for the Service, we may convert your account to inactive status if you do not sign on to the Service or have any transaction scheduled through the Service during any consecutive 90 day period. If your account is considered inactive, you must contact us to have the Service re-activated before you will be able to schedule any transactions.

X. Errors and Questions

A. Telephone Numbers and Addresses. In case of errors or questions regarding an Online Banking or Bill Payment transaction, call 1-866-USE-4-YOU (873-4968) or write us at:

Attn: Research Department, Member Service Center
USE Credit Union
10120 Pacific Heights Blvd.
San Diego, CA 92121

B. Notification. You must report an unauthorized Online Banking or Bill Payment transaction which appears on your periodic statement, no later than 60 days of transmittal of the statement to avoid liability for subsequent transfers.

1. We must hear from you at the telephone number or address, listed above, no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. We will need:

- Your name and account number

- A description of the error or the transfer in question and an explanation concerning why you believe it is an error or need more information; and

- The dollar amount of the suspected error and date on which it occurred.

2. If the report is made orally, we will require that you send the complaint or question in writing within 20 business days. We will notify you with the results of the investigation within 10 business days and will correct any error promptly. If more time is needed, however, we may take up to 45 days to investigate a complaint or question. If this occurs, we will credit your account within 10 business days for the amount you think is in error. This will allow you to use the money during the time it takes us to complete our investigation. If your complaint or question is not received in writing within 10 business days, we may not credit your account until the investigation is completed. If an alleged error involves an electronic fund transfer outside a state or territory or possession of the United States, or the applicable time periods for action by us are 20 business days (instead of 10) and 90 calendar days (instead of 45). If we determine that no error occurred, we will send you a written explanation within three business days after the investigation is complete. You may request copies of the documents that were used in the investigation.

3. You may notify the Credit Union by telephone, writing, or by e-mail using the E-mail function provided in our Online Banking site. Notification by general e-mail to report an unauthorized transaction is not secure and therefore not advised.

XI. Liability

A. Our Liability. This section explains our liability to you only to the extent that our liability has not been separately disclosed by any other agreements, notices or disclosures. In no event shall we be liable to you for failure to provide access to your Online Banking or Bill Payment services accounts. Unless otherwise required by applicable law, we are only responsible for performing the Online Banking and Bill Payment services as delineated in this Agreement. We will be liable for the amount of any material losses or damages incurred by you and resulting directly from our gross negligence.

We will not be liable to you in the following instances:

1. If through no fault of the Credit Union, you do not have enough money in your account to make the transfer;

2. If circumstances beyond our control (such as fire, flood, power outage, equipment or technical failure or breakdown) prevents the transfer despite reasonable precautions that we have taken;

3. If there is a hold on your account, or if access to your account is blocked, in accordance with banking policy;

4. If your funds are subject to a legal proceeding or other encumbrance restricting the transfer;
5. If your transfer authorization terminates by operation of law;
6. If you believe someone has accessed your accounts without your permission and you fail to notify the Credit Union immediately;
7. If you have not properly followed the instructions on how to make a transfer included in this Agreement;
8. If we have received incomplete or inaccurate information from you or a third party involving the account or transfer; and
9. If we have a reasonable basis for believing that unauthorized use of your Password or account has occurred or may be occurring or if you default under this Agreement, the deposit account agreement, a credit agreement or any other agreement with us, or if we or you terminate this Agreement.

IN NO EVENT SHALL WE HAVE ANY LIABILITY TO YOU OR ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM OR ARISING OUT OF THIS AGREEMENT.

B. Indemnification. You agree to indemnify, defend and hold us, our affiliate companies, directors, officers, employees and agents harmless against any third party claim, demand, suit, action or other proceeding and any expenses related to an Online Banking or Bill Payment account.

C. Third Parties. We are not liable for any loss or liability resulting from any failure of your equipment or software, or that of an internet browser provider such as Netscape (Netscape Navigator browser) or Microsoft (Microsoft Explorer browser), by an internet access provider, or by an online service provider, nor will we be liable for any direct, indirect, special or consequential damages resulting from your access to or failure to access an Online Banking or Bill Payment account.

D. Virus Protection. The Credit Union is not responsible for any electronic virus or viruses that you may encounter. We suggest that you routinely scan your internet-enabled device using a virus protection product. An undetected virus may corrupt and destroy your programs, files, and your hardware.

A. Credit Union Agreements. In addition to this Agreement, you and the Credit Union agree to be bound by and comply with the requirements of the agreements applicable to each of your Online Accounts. Your use of the Online Banking Service or the Bill Payment Service is your acknowledgment that you have received these agreements and intend to be bound by them. You should review other disclosures including the charges that may be imposed for electronic funds transfers or the right to make

transfers listed in the fee schedules accompanying those disclosures and the fee schedule contained in this Agreement. We will automatically deduct the fees related to this Service from your Bill Payment Account each month.

B. Changes and Modifications. The Credit Union may modify the terms and conditions applicable to the Services from time to time. We may send any notice to you via e-mail and you will have to be deemed to have received it three days after it is sent. The revised terms and conditions shall be effective at the earliest date allowed by applicable law. We reserve the right to terminate this Agreement and your use of the Services in whole or in part at any time without prior notice.

C. Assignment. We may assign this Agreement to an affiliate of the Credit Union or any successor in interest in the event of a merger, reorganization, change of control, acquisition or sale of all or substantially all assets of the business to which this Agreement is related without the other party's prior written consent.

D. Notices. Unless otherwise required by applicable law, any notice or written communication given pursuant to this Agreement, may be sent to you electronically.

E. Disclosure of Information. We will only disclose information to third parties about your account or transfers you make under the following circumstances:

- Where it is necessary for the provision of Online Banking and for completing transfers;
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- In order to comply with government or court orders, or other reporting requirements;
- If you give us your permission;
- To the Credit Union affiliated companies.

F. Governing Law. This Agreement is governed by the laws of the State of California and applicable federal law.