



MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement is the contract of deposit which covers your and our rights and responsibilities concerning membership and account(s) offered to you. In this Agreement, the words "you," "your," and "yours" mean anyone who signs the Member Service Request document (or any other account opening document) or for whom membership and/or service requests are approved through the Credit Union's online application and authentication process. The words "we," "us," and "our" mean Allegacy Financial Federal Credit Union. The word "account" means any one or more share, checking, or certificate accounts you have with the Credit Union.

The classification and form of ownership of your account(s) is designated on your Membership Service Request document or through the Credit Union's online application and authentication process. By signing the Membership Service Request document or authenticating your request, that is part of this Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and any Account Card, Funds Availability Policy Disclosure, Electronic Fund Transfers Agreement and Disclosure, Privacy Disclosure, and the Truth-in-Savings Disclosure accompanying this Agreement, any account deposit receipt, the Credit Union's bylaws and policies, and any amendments, including additions, deletions, or other changes, which collectively govern your membership and accounts, including the arbitration provision, waiver of jury trial and waiver of the ability to participate in a class action. You agree that additional accounts and services you request in the future will be governed by the Agreement, as amended from time to time.

The Credit Union may terminate this disclosure and agreement for any reason deemed in the Credit Union's best interests including but not limited to (a) re-evaluation of your creditworthiness; (b) upon your default under the terms or any other agreement with us; and (c) at our option for good cause. The Credit Union reserves the right to amend, modify, revoke, or cancel the terms of this disclosure and agreement or any transaction services contemplated herein. If notification is required by law, notice will be mailed to you at the address shown on the Credit Union's records. Any revised, amended, or modified conditions, rules, or regulations shall be effective at the earliest date allowed by law.

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, if applicable, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

MEMBERSHIP ELIGIBILITY - To be eligible for membership in the Credit Union, you must be an individual qualifying within the Credit Union's field of membership and must meet the membership qualifications, including purchase and maintenance of the minimum required share(s) ("membership share") as required by the Credit Union's bylaws. You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit and consumer reporting agencies, to verify your eligibility for the accounts, products and services you request and for other accounts, products, or services we may offer you or for which you may qualify.

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INDIVIDUAL ACCOUNTS - An individual account is an account owned by one member who has qualified for credit union membership. If the account owner dies, the interest passes, subject to applicable law, to the account owner's estate or beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death, any security interest or pledge granted by the account owner, and our statutory lien rights.

JOINT ACCOUNTS - A joint account is an account owned by two or more persons. Unless otherwise provided on the Membership Application and/or Account Card, each joint account will be controlled by the provisions of N.C.G.S. 54-109.58.

a. Rights of Survivorship. Unless otherwise stated on the Member Services Request, a joint account includes rights of survivorship. For a joint account with rights of survivorship, upon the death of one of the owners, the money remaining in the account will belong to the surviving owner(s). For a joint account without rights of survivorship, the account owner's interest passes to his or her estate. 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 Joint Accounts. Any joint owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and requests for future services from any joint account owner. Each account owner guarantees the signature or authenticated request of the other owner(s). Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, withdraw, or pledge all or any part of the shares of any account, including funds representing a membership share, without the consent of the other account owner(s) and the Credit Union shall have no duty to notify any other joint owner(s). If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a court order to act or require that all joint account owners agree in writing to any transaction concerning the account.

c. Joint Account Owner Liability. If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. If any account owner is indebted to the Credit Union, we may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.

Member and Joint Account Holder acknowledge and agree that Allegacy Federal Credit Union may issue to each of them an Allegacy debit card, and shall assign to them a single personal identification number (PIN). They further acknowledge and agree that possession of the ATM card or

account number, and personal identification number (PIN) or password will permit access to individual accounts, by means of automated teller machine or by telephone or by on-line access, including but not limited to the share account, of the Member by the Joint Account Holder. They further acknowledge and agree that such access may result in sums being withdrawn or transferred from such individual accounts without the knowledge or consent of the Member by the Joint Account Holder. The Credit Union hereby disclaims any responsibility to the member for any and all sums withdrawn or transferred from an individual account maintained by the Member by means of the Joint Account Holder's use of the ATM card or personal identification number (PIN).

Member and Joint Account Holder shall indemnify and hold the Credit Union harmless of and from any and all losses, claims, actions, causes of action, suits, or demands, or whatsoever kind or description arising out of Joint Account Holder's access to, withdrawal from or transfer from Member's individual accounts by means of the ATM card or account number, and personal identification number (PIN) or password, and do hereby remise, release, and forever discharge the Credit Union of and from any and all liability for the same.

INFORMAL AND FORMAL TRUST ACCOUNTS - Any trust beneficiary designation shall not apply to IRA accounts which shall be governed by a separate beneficiary designation. The Credit Union shall at no time have any obligation to notify any beneficiary of the existence of any account or the vesting of the beneficiary(ies) interest in any account except as otherwise provided by law.

a. Formal Trust Account. A formal trust account designation is an instruction to the Credit Union to establish an account in response to a written trust agreement, generally as drafted by an attorney. Such an account will be established upon the proper completion of the applicable Formal Trust Account Enrollment Form (Enrollment Form) which will designate all parties to the trust and bind all such parties to the terms of the membership and account agreement.

Credit Union regulations with respect to share insurance of member share accounts are affected by the terms of the Trust Agreement, the nature of the Trust (revocable or irrevocable), and, in some cases, the family relationship of the beneficiary(ies). Please consult your attorney/legal advisor with respect to these issues. By opening the account, you are deemed to acknowledge the application of these regulations.

THE CREDIT UNION HAS NO RESPONSIBILITY TO INQUIRE AS TO THE ACTUAL TERMS OF THE TRUST AND SHALL BE HELD HARMLESS FOR ANY ACTIONS TAKEN IN RELIANCE OF THE INFORMATION AS PROVIDED ON THE ENROLLMENT FORM.

THE CREDIT UNION IS NOT REQUIRED TO KNOW, UNDERSTAND, INTERPRET OR ENFORCE THE TERMS OF THE TRUST AGREEMENT BUT HAS THE RIGHT TO REQUEST THE NECESSARY LEGAL DOCUMENTS BEFORE RELEASING FUNDS FROM THE ACCOUNT(S). TRUST ACCOUNT FUNDS MAY BE RETAINED OR PROVIDED TO THE PROPER AUTHORITIES IN AN INTERPLEADER ACTION UNTIL SUCH DOCUMENTS ARE DELIVERED TO THE CREDIT UNION OR THE ISSUE IS RESOLVED AS A MATTER OF LAW.

The Credit Union cannot and is under no obligation to act as a trustee or to inquire as to the powers or duties of the Trustee(s). Grantor(s) and Trustee(s) agree to notify the Credit Union in writing if a change of Trustee(s) occurs. The Credit Union may withhold payment of funds to any party until proper evidence of authority is provided. Funds may be released to any one Trustee acting alone or with a co-Trustee. The Credit Union may rely upon the direction of any one Trustee until a written notice of revocation of the Enrollment Form is received. The Grantor(s), Trust, Trustee(s), and Beneficiary(ies) agree to fully indemnify and hold the Credit Union harmless of any claim, damage or loss arising as a result of unauthorized acts of any Trustee or former Trustee. The Enrollment Form shall be binding on the Grantor(s), Trustee(s), Trust, successor Trustee(s), and the Beneficiary(ies).

You, the individual(s) signed on the Enrollment Form and or Membership Application as Grantor(s) and Trustee(s), request Allegacy Federal Credit Union ("Credit Union") to establish one or more accounts as indicated, for the Trust and agree that the account(s) shall be subject to the bylaws, regulations, policies and other rules and practices of the Credit Union now in effect or as amended, and agree that the Trustee(s) and the account(s) shall be subject to all fees and charges that may be assessed from time to time for use of the account(s).

The Trust funds to be deposited in the Credit Union are part of the Trust specified on the applicable Enrollment Form(s) executed by the Grantor(s) and executed by the Trustee(s) as indicated on the same form(s). The Credit Union is authorized to release the funds in the account(s) established pursuant to the Enrollment Form(s) with the Credit Union upon the signature of any one of the Trustees signing this Enrollment Form and any payment to any one of the Trustees or to a successor Trustee(s) or at the direction of any one of the Trustees shall be valid and shall discharge the Credit Union from any liability for the sum(s) paid.

The Grantor(s) and Trustee(s) agree to provide a complete, accurate and true copy of the Enrollment Form to the Credit Union. The Grantor(s) and Trustee(s) represent that the Enrollment Form imposes no responsibility or obligation on the Credit Union other than as a depository for the Trust funds.

The Grantor(s) and Trustee(s) agree that the Credit Union shall be notified if there is any change in the Grantor(s), Trustee(s), Beneficiary(ies) or terms of the Trust and will provide evidence of the changes. It is the policy of the Credit Union that, upon the death of the Grantor(s), the account must be closed, unless, pursuant to Credit Union regulations, the account may continue with the Credit Union. Any change, which does not require closing the account, shall be effective as to the Credit Union only after it is received in writing by the Credit Union. The Trustee(s) agrees that the Credit Union shall be notified of any (a) change in address of any Trustee(s) disclosed in the Enrollment Form; and (b) changes to or amendments of the governing Trust instrument which would conflict with or otherwise affect the validity of any statement or representation contained in the Enrollment Form. Any such change or amendment shall be effective as to the Credit Union only after a new Enrollment Form has been completed and executed by the Grantor(s) and Trustee(s).

The Credit Union may require that any or all disbursements shall be made payable to any one or more of the Trustees or to the Trust.

Each Trustee whose signature appears on the Enrollment Form declares under penalty of perjury, that the Trustee(s) is qualified and has the power to act and is properly exercising the powers under the trust, pursuant to the Enrollment Form, the Trustee(s) has the power to establish and transact on accounts on behalf of the Trust. The Credit Union shall not be held responsible for any changes of which it is not notified as set forth.

The Grantor(s) and/or the Trustee(s) and/or the Trust and/or the Beneficiary(ies) hereby agree to fully indemnify and hold the Credit Union harmless from any and all claims, suits, actions, awards, damages, judgments, costs, charges and expenses, including court costs and attorneys' fees and against any and all liability, loss and damage of any nature whatsoever that the Credit Union shall or may sustain resulting from the establishment, maintenance and transaction of any business related to the trust account(s) established pursuant to the Enrollment Form. The Trustee(s) agrees to pay any necessary expenses, attorneys' fees or costs incurred in the enforcement of this indemnification and hold the Credit Union harmless.

b. Successor Trustee. Before any successor Trustee(s) may transact any business on this account, the successor Trustee(s) shall (a) provide the Credit Union with either (i) a letter of resignation signed by the resigning Trustee(s) or (ii) a certified copy of the death certificate(s) for the Trustee(s); (b) provide a written statement declaring power to transact as Trustee(s) or Trustee's Affidavit; and (c) execute a new Enrollment Form. The items of the Enrollment Form shall supplement the terms of other account agreements entered into by the Trustee(s).

The Enrollment Form affects the legal rights of the Trustee(s). In providing the Enrollment Form for the establishment of this account, the Credit Union makes no representation as to any tax, probate avoidance or financial or estate planning advantage, benefit or result of any kind whatsoever. If the Grantor(s) or Trustee(s) desires assistance or advice concerning the Enrollment Form, the services of an attorney or other competent professional person should be sought.

PAYABLE ON DEATH (POD)/TRUST ACCOUNT DESIGNATIONS - Payable on Death (POD) account is an account held in the name of one or more persons as owner or owners for one or more persons designated as beneficiaries. Each account owner understands that by establishing a POD account, the account and any balance thereof is subject to the following: a) during your lifetime you may withdraw the money in the account; and b) by written direction to the Credit Union, you may change the beneficiary or beneficiaries; and c) upon your death the money remaining in the account will belong to the beneficiary or beneficiaries, and the money will not be inherited by your heirs or be controlled by your will. Any POD beneficiary designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary of the existence of any account nor the vesting of a beneficiary's interest in any account, except as otherwise provided by law.

ACCOUNTS FOR MINORS - If an account is established for a minor as a joint account with an owner who has reached the age of majority in accordance with state law, they are jointly and severally liable to us for any returned item, overdraft, or unpaid amount on such account and for any related fees and charges. We may pay funds directly to the minor regardless of their age. Unless a parent or guardian is an account owner, the parent or guardian will not have any access to the account. We have no duty to inquire about the use or purpose of any transaction except as required by applicable law. The minor account owner's tax identification number must be shown on the account application. We may not change the account status when the minor reaches the age of majority unless the change is authorized in writing by all account owners.

UNIFORM TRANSFERS TO MINORS ACCOUNT - A Uniform Transfers to Minors Account (UTMA) is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The minor to whom the gift is made is the beneficiary of the custodial property in the account. The custodian has possession and control of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party authorized to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction except as required by applicable law. If the custodian dies, we may suspend the account until we receive instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawals. The account will terminate and be distributed in accordance with applicable law.

PERSONAL AGENCY ACCOUNTS - A member, as principal, may open a personal agency account naming an additional person as agent. The agent, who shall not be a minor, may act on behalf of the principal in regard to the account. The agent shall have the authority to (1) make, sign or execute checks drawn on the account or otherwise make withdrawals from the account; (2) endorse checks made payable to the principal for deposit only to the account; and (3) deposit cash or negotiable instruments, including instruments endorsed by the principal, into the account. Each such personal agency account will be controlled by the provisions of N.C.G.S. A7 54-109.63. A personal agency account creates no ownership right or interest in the agent. Upon the election of the principal, the authority of the agent to act on behalf of the principal with respect to the account will continue, notwithstanding any subsequent incapacity or mental incompetence of the principal.

DEPOSIT REQUIREMENTS - Funds may be deposited to any account, in any manner approved by the Credit Union in accordance with the requirements set forth in the Truth-in-Savings Disclosure. Deposits made by mail, at night depositories, or at unstaffed facilities are not our responsibility until we receive them. We reserve the right to refuse or to return any deposit. Any error in the listing of an item or in the amount of any deposit is subject to correction by the credit union. All accounts are nonassignable and nonnegotiable to third parties. Each certificate account is governed by the terms of this agreement and the terms and disclosures in the Truth-in-Savings Disclosure, which is incorporated herein by this reference.

a. Endorsements. You authorize the credit union, in its discretion to accept transfers, checks, drafts, or other items for deposit into any of your accounts whether or not they are endorsed by all payees. You authorize the credit union to supply missing endorsements if the credit union chooses to supply such endorsements. If a check, draft, or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft, or item as though it is payable to either person. The credit union reserves the right to verify all endorsements on third party checks or drafts presented for deposit either in person or by comparison with member signature files. If an insurance, government, or other check or draft requires an endorsement, as set forth on the back of the check or draft, the credit union may require endorsement as set forth on the check or draft. Endorsements must be placed in the space on the back of the check or draft between the top edge and 1½ inches of the top edge. The credit union may accept drafts or checks with endorsements outside this space. However, if any endorsements or other markings you or any prior endorser make on the check or draft cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the credit union due to the delay or error. If we offer a remote deposit capture service and you have been approved to use the service to make deposits to your account, you agree that, prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with any other agreement with us that governs this service.

b. Substitute Checks or Drafts. You agree not to deposit any substitute check or draft or similar item that you have created, or for which no financial institution has provided any substitute check or draft warranties and indemnity. If you do so, you agree to indemnify us for all losses we incur in connection with the substitute check, draft or item. You agree not to deposit any substitute check or draft without our consent.

c. Collection of Items. We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the loss of an item in transit or the negligence of any correspondent. Each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.

d. Restrictive Legends. Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include "two signatures required," "void after 60 days," and "not valid over \$500.00." We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restriction or limitation.

e. Final Payment. All checks, drafts, automated clearing house ("ACH") transfers or other items credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of those items or ACH transfers and impose a return charge on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect any item, then we may charge such fee to your account. The Credit Union reserves the right to refuse or to return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use.

f. Direct Deposits. The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits to your accounts by a separate authorization form or process. If applicable, you must notify the Credit Union at least thirty days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. If your account is overdrawn, you

authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits. Upon a filing of a bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the credit union. If the credit union is required to reimburse the U.S. Government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

g. Crediting of Deposits. Deposits made on Saturdays, Sundays, Credit Union holidays, and most federal holidays will be credited to your account on the next business day. Ask for our current deposit cutoff time. Deposits received at unstaffed facilities such as night depositories will be credited on the day funds are removed and processed by the Credit Union. Items drawn on an institution located outside the United States will be handled on a collection basis only. Deposits will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

h. Credit Union Examination. The Credit Union may disregard information on any check or draft other than the signature of the drawer, the identity of the payee, and amount of the item and any magnetic encoded information. You agree the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

ACCOUNT ACCESS

a. Authorized Signature. In order to access any account, the Credit Union must have an authorized signature of yours on a Membership Service Request. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any draft that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

b. Access Options. You may make withdrawals or transfers from your account in any manner which is permitted by the credit union (i.e., check, automated teller machines (ATMs), debit card, in person, by mail, automatic transfer, telephone or on-line access). If the credit union accepts any draft that is not drawn on a form provided by the credit union, you will be responsible for any loss incurred by the credit union for handling the draft. The credit union may return as unpaid any check that is not drawn on a form provided or authorized by the credit union. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. Any power of attorney submitted to the Credit Union needs to be recorded unless state law does not allow for recordation. This is done to protect you and to safeguard the Credit Union. We are under no obligation to honor any power of attorney that we do not believe in good faith is true or allows for what is being requested.

FUNDS TRANSFERS - Funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code (UCC), such as wire transfers, will be subject to such provisions of the UCC as enacted by the state where the main office of the Credit Union is located, except as otherwise provided in this Agreement. ACH transfers are subject to Nacha Operating Rules. We may execute certain requests for funds transfers by Fedwire which are subject to the Federal Reserve Board's Regulation J.

a. Authorization for Transfers/Debiting of Accounts. You may make or order funds transfers to or from your account. We will debit your account for the amount of a funds transfer from your account and will charge your account for any fees related to the transfer.

b. Right to Refuse to Make Transfers/Limitation of Liability. Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available balance in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic or equipment failure. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with funds transfers to or from your account.

c. No Notice Required. We will not provide you with notice when funds transfers are credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received.

d. Interest Payments. If we fail to properly execute a payment order and such action results in a delay in payment to you, we will pay you dividends or interest, whichever applies to your account, for the period of delay as required by applicable law. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.

e. Provisional Credit for ACH Transactions. We may provisionally credit your account for an ACH transfer before we receive final settlement. If we do not receive final settlement, we may reverse the provisional credit or require you to refund us the amount provisionally credited to your account, and the party originating the transfer will not be considered to have paid you.

f. Payment Order Processing and Cut-off Times. Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the date it is received or on a particular date you specify. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments. Funds transfers, payment orders, cancellations, and amendments received after a cut-off time may be treated as having been received on the next funds transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law. This action may affect settlement or availability of the transaction.

g. Identifying Information. If your payment order identifies the recipient and any financial institution by name and account or other identifying number, the Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number, even if the number identifies a different person or financial institution.

h. Amendments and Cancellations of Payment Orders. Any account owner may amend or cancel a payment order regardless of whether that person initiated the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.

i. Security Procedures. We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and the Credit Union is commercially reasonable. If you refuse to follow a commercially reasonable security procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.

j. Duty to Report Unauthorized or Erroneous Funds Transfers. You must exercise ordinary care to identify and report unauthorized or erroneous funds transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.

k. Recording Telephone Requests. You agree that we may record payment order, amendment and cancellation requests as permitted by applicable law.

l. Remittance Transfers. A "remittance transfer" is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. If we act as a remittance transfer provider and conduct a remittance transfer(s) on your behalf, the transaction(s) will be governed by 12 C.F.R. part 1005, subpart B - Requirements for remittance transfers. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

ACCOUNT RATES AND FEES - The Credit Union's payment of dividends on any account is subject to the account rates and fees, earnings, payment and balance requirements as set forth in the Truth-in-Savings Disclosure and Schedule of Fees and Charges, which are incorporated herein by this reference. You agree the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current Truth-in-Savings Disclosure or Schedule of Fees and Charges has been provided to you separately. You agree the Credit Union may change the Truth-in-Savings Disclosure from time to time and you may be notified of such changes only as required by law.

TRANSACTION LIMITATIONS

a. Withdrawal Restrictions. We will pay checks or drafts, permit withdrawals, and make transfers from the available balance in your account. The availability of funds in your account may be delayed as described in our Funds Availability Policy Disclosure. We may also pay checks or drafts, permit withdrawals, and make transfers when you have an insufficient available balance in your account if you have established an overdraft protection plan or, if you do not have such a plan with us, in accordance with our overdraft payment policy.

The Credit Union may also refuse to allow a withdrawal in other cases: for example, any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to the Credit Union; any required documentation has not been presented; you fail to repay a Credit Union loan on time; or we deem it necessary for any other reason allowed by applicable law. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checking accounts) of not less than seven (7) to 60 days, as required by law, before such withdrawal.

b. Transfer Limitations. For share and money market accounts, you may make no more than six (6) transfers and withdrawals from your account to another account of yours or to a third party in any month by means of a preauthorized, automatic or Internet transfer, by telephonic order or instruction, or by check, draft, debit card or similar order. If you exceed these limitations, your account may be subject to a fee or be closed. Continual excessive use of third-party transfers may result in conversion of the account into a transaction account. There is no limit on the number of transactions you can make in the following manner (i) transfers to any loan account with the Credit Union; (ii) transfers to another Credit Union account or withdrawals (checks or drafts mailed directly to you) when such transfer or withdrawal is initiated in person, by mail or at an ATM. If a transfer request would exceed the transfer limitations set forth above in any statement period, the Credit Union may refuse or reverse the transfer, and your account will be subject to suspension or closure by the Credit Union, and the Credit Union may impose a charge. The fee for excessive in-person withdrawals, if any, is set forth in the Truth-in-Savings Disclosure.

OVERDRAFTS

a. Understanding Your Account Balance. Your checking account has two kinds of balances: the current balance and the available balance.

1. Your **current** balance reflects the full amount of all deposits to your account (including those deposits that may not have a "hold") as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Please note that **current** balance may also be referred to as actual balance in other documentation but references the same information.

2. Your **available** balance is the amount of money in your account that is available for you to use. Your available balance is your current balance less: (1) holds placed on deposits, and (2) holds on debit card or other transactions that have been authorized but are not yet posted. **We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions.** Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your current balance, which may appear positive. You should assume that any item which would overdraw your account based on your available balance may create an overdraft or the item may be returned or denied. You may check your current and available balances online at Allegacy.org, at an ATM, by visiting a Credit Union branch or by calling us at 336-774-3400 or 1-800-782-4670.

b. Overdraft Liability If, on any day, the **available** funds in your share or deposit account are not sufficient to pay the full amount of a check, draft, transaction, or other item posted to your account plus any applicable fee ("overdraft"), we may pay or return the overdraft. The Credit Union's determination of an insufficient **available** account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one (1) review of the account required. We do not have to notify you if your account does not have sufficient **available** funds to pay an overdraft. Your account may be subject to a charge for each overdraft regardless of whether we pay or return the overdraft. For ATM and one-time debit transactions, you must consent to the Credit Union's overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transactions. Services and fees for overdrafts are shown in the document the Credit Union uses to capture the member's opt-in choice for overdraft protection and the Schedule of Fees and Charges.

Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay an overdraft, we do not agree to pay overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay an overdraft or impose a fee that overdraws your account, you agree to pay the overdrawn amount in accordance with your overdraft protection plan or, if you do not have such a plan with us, in accordance with our overdraft payment policy.

An insufficient funds (NSF) fee may be applied when an item is presented against your available balance and subsequently returned. This fee is applicable once per item presented and returned. For example, if you wrote a check to a merchant who submitted the payment to the Credit Union, and we returned the item (resulting in a NSF fee); the merchant may re-present the check for payment again. If the second and any subsequent presentments are returned unpaid, we will not charge a NSF fee for each time, after the first attempt by the merchant. You understand this means you could be charged a single NSF fee for one check you wrote. Similarly, if you authorize a merchant (or other individual or entity) to electronically debit your account, such as an ACH debit, you understand there could be multiple submissions of the electronic request which could result in a

single NSF fee. You agree the Credit Union does not determine whether and when an item will be presented for payment. Rather, the Credit Union determines whether or not the available balance is sufficient to pay a presented item. When we charge a fee for an NSF item(s) occurrence, the charge reduces the current balance and the available balance in your account and may put your account into (or further into) overdraft. NSF activity constitutes grounds for closing an account. The Credit Union will review your account and notify you if your account has been closed. We report accounts closed due to NSF activity, or if a loss is suffered by the Credit Union because of account misuse, to ChexSystems. This reporting may jeopardize an individual's ability to establish accounts with other financial institutions. Additionally, if you cause the Credit Union to incur any loss as a result of any action or interaction on your part (including but not limited to insufficient funds activity or improper handling of your ATM account), Credit Union services and privileges may be suspended or denied to you.

c. Order of Payments. Checks, drafts, items and other transactions may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft or item and execute other transactions on your account in any order we choose. The order in which we process checks, drafts and items and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you have questions about how we pay checks and drafts and process transfers and withdrawals.

d. Overdraft Protection Plan. If we approve your request for overdraft protection for you, we may honor checks, drafts, ACH items, or Debit Card Transactions drawn on insufficient funds in your account by transferring funds from another designated, checking account, share and/or deposit account under this Agreement (subject to transfer limitations) and/or transferring funds from a designated line-of-credit account in the order you choose. The fee for overdraft transfers, if any, is set forth in the Truth-in-Savings Disclosure. Transfers from an account will be governed by this Agreement. Transfers from a loan account will be governed by the applicable loan agreement.

e. How Transactions are posted to Your Account. Basically, there are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

1. **Credits.** Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit. Please refer to the Funds Availability Policy Disclosure for details regarding the timing and availability of funds from deposits.
2. **Debits.** There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not in control of when transactions are received.
 - **Checks.** When you write a check, it is processed through the Federal Reserve System. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments from low to high dollar value to minimize the potential number of overdraft items.
 - **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day in order based on the posting date in the ACH file from low to high dollar value to minimize the potential number of overdraft items.
 - **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your current balance (and available balance) immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment. In such case, it will be deducted from your current balance (and available balance) when presented by the merchant.
 - **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. This is referred to as an "authorization hold". An authorization hold will reduce your available balance by the amount authorized but will not affect your current balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received resulting in a reduction in the current balance.

The amount of an authorization hold may differ from the current payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. The Credit Union cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for final payment. We suggest you ask the merchant if this is information you want to know.

For debit card transactions involving merchant authorization holds, there may be a delay between the hold being applied and the transaction posting to your account. During the delay, intervening transactions may impact the available balance in your account. It is important to keep in mind that we check your available balance both at the time the merchant's authorization request is received and again when the transaction settles and posts to your account. If your available balance is insufficient to cover the amount of the merchant's authorization request, we will decline the request. If your available balance is sufficient to cover the merchant's authorization request, the request will be approved, and an authorization hold in the amount of the request will be placed on your account. The transaction will be subsequently processed by the merchant and submitted to us for payment. If the transaction settles and posts to your account at a time when the available balance is insufficient to pay the transaction without causing an overdraft (i.e., posting the transaction results in an available balance of less than \$0), we will charge you a fee for overdrawing your account, even though the available balance in your account was sufficient to cover the transaction at the time it was authorized.

The following example illustrates how this works:

Assume your actual and available balances are both \$40, and you use your debit card at a restaurant to pay your bill totaling \$30. If the restaurant requests authorization in the amount of \$30, an authorization hold is placed on \$30 in your account. Your available balance is only \$10, but the actual balance remains \$40. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 is presented for payment. Because your available balance is only \$10 due to the \$30 authorization hold, your account

will be overdrawn by \$30 when the check transaction is posted to your account even though your actual balance is \$40. In this example, if we pay the \$40 check in accordance with our standard overdraft services, we will charge you a fee for overdrawing your account as disclosed in the Schedule of Fees and Charges. The fee will also be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount to the restaurant. The transaction amount may be \$30 or a different amount (for example, if you added a tip). Because the amount of the restaurant charge exceeds your available balance at the time the charge is settled (i.e., at the time the merchant or its financial institution requests payment or the transaction posts to your account), we will charge you another fee for overdrawing your account, even though you had a sufficient available balance in your account at the time the restaurant charge was authorized and approved.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

POSTDATED AND STALEDATED CHECKS OR DRAFTS - You agree not to issue any check or draft that is payable on a future date (postdated). If you do draw or issue a check or draft that is postdated and we pay it before that date, you agree that we shall have no liability to you for such payment. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account that is presented more than six months past its date; however, if the check or draft is paid against your account, we will have no liability for such payment.

STOP PAYMENT ORDERS

a. Stop Payment Order Request. Any owner may request a stop payment order on a check or draft drawn on the owner's account. To be binding, the order must accurately describe the check or draft, including the exact account number, check or draft number, and amount of the check or draft. This exact information is necessary for the Credit Union to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to assign to us all of your rights against the payee or other holders of the check or draft, and to assist us in any legal action. Fees for stop payment orders are set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges.

b. Duration of Order. You may make an oral stop payment order which will lapse within 14 calendar days unless you confirm it in writing, or in a record if allowed by applicable law, within that time. A written stop payment order is effective for six months and may be renewed for additional six-month periods by submitting a renewal request in writing, or in a record if allowed by applicable law, before the stop payment order then in effect expires. We do not have to notify you when a stop payment order expires.

c. Liability. Although payment of a check or draft may be stopped, you may remain liable to any holder of the check or draft, including us. You have the burden of establishing the fact and amount of loss resulting from the payment of a check or draft contrary to a binding stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees and all damages or claims related to our refusal to pay a check or draft, as well as claims of any joint account owner or of any payee or endorsee for failing to stop payment of a check or draft as a result of incorrect information provided by you.

d. Items Subject to Other Rules. For cashier's checks, teller's checks, or certified checks that have been lost, destroyed, or stolen, refer to provisions elsewhere in this Agreement which describe the claims process for recovering the amount of such a check. For preauthorized debit transactions, which are governed by Regulation E, refer to the Electronic Fund Transfers Agreement and Disclosure for rules regarding stop payments on such transactions.

LOST ITEMS - The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse any credit for any deposited item or to charge your account for any item lost in the collection process.

LOST, DESTROYED, OR STOLEN CASHIER'S CHECKS, TELLER'S CHECKS, OR CERTIFIED CHECKS - Generally, you cannot place a stop payment on a cashier's check, teller's check, or certified check that has been lost, destroyed, or stolen because the law treats these types of checks differently than ordinary checks. However, you may be able to assert a claim for the amount of the check. Article 3 of the UCC as adopted by the state in which we are located controls your and our rights and obligations with respect to these types of checks. Please contact us regarding the specific procedures for submitting a claim for a lost, destroyed, or stolen cashier's check, teller's check, or certified check.

REMOTELY CREATED CHECKS OR DRAFTS - For purposes of this paragraph, "account" means a transaction account, credit account, or any other account on which checks or drafts may be drawn. A remotely created check or draft is a check or draft created by someone other than the person on whose account the check or draft is drawn. A remotely created check or draft is generally created by a third-party payee as authorized by the owner of the account on which the check or draft is drawn. Authorization is usually made over the telephone or through online communication. The owner of the account does not sign a remotely created check or draft. In place of the owner's signature, the remotely created check or draft usually bears a statement that the owner authorized the check or draft or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check or draft against your account, you may not later revoke or change your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account and may charge against your account any remotely created check or draft for which the third party has proof of your authorization.

CREDIT UNION'S LIABILITY FOR ERRORS - If the Credit Union does not properly complete a transaction according to this Agreement, its liability shall in no event exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, when the available balance in your account is insufficient to make the transaction; (b) circumstances beyond the Credit Union's control prevent the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor. The Credit Union's actions or inactions will constitute the exercise of ordinary care if such actions or inactions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules, and general banking practices followed in your community. You grant the Credit Union the right, in making payments of deposited funds, to rely exclusively on the ownership of the account and the terms of this Account Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and any applicable written form.

CHECKS PRESENTED FOR PAYMENT IN PERSON - We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft and we shall have no liability for refusing payment. **If we agree to cash a check or draft that is presented for payment in person, we may require the presenter to pay a fee and submit proper identification. Any applicable check or draft cashing fees are stated in the Schedule of Fees and Charges.**

PLEDGE, RIGHT OF OFFSET AND STATUTORY LIEN - Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account(s) for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. You agree we have the right to offset funds in any of your accounts against the obligation owed to us. Federal law gives us a lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by federal or state law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you.

Your pledge and our statutory lien rights will allow us to apply the funds in your account(s) to what you owe when you are in default, except as limited by federal or state law. If we do not apply or offset the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply or offset the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under federal or state law if given as security. By not enforcing our right to apply or offset funds in your account(s) to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

LEGAL PROCESS - If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to release funds to you from your account without court order. The Credit Union can apply to a court at any time for judicial settlement of any matter involving your account. If the Credit Union does so, the Credit Union must give you the opportunity to participate in the court proceeding, but the Credit Union can also involve other persons.

Unless prohibited by law or court, any expenses, including attorney's fees, the Credit Union incurs in legal proceedings involving your account or arising out of this Agreement, other than those arising out of the Credit Union's failure to perform its specified duties, are chargeable to your account without prior notice to you and payable by you if not paid from your account. Any legal process against your account is subject to the Credit Union's lien and security interest.

ACCOUNT INFORMATION - Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a credit report in connection with your account. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances except when: (1) it is necessary to complete the transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; (3) such disclosure is authorized by law, government agency, or court order; or (4) you give us your written permission.

NOTICES –

a. Name or Address Changes. It is your responsibility to notify the Credit Union upon a change of address or change of name. The Credit Union is only required to attempt to communicate with you only at the most recent address you have provided to the Credit Union. The Credit Union will accept notices of a change in address and any other notice from you to the Credit Union only if provided in writing to the Credit Union. If the Credit Union attempts to locate you, the Credit Union may impose a service fee as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges.

b. Notice of Amendments. Except as otherwise prohibited by applicable law, the terms of this agreement are subject to change at any time. The credit union will notify you of any changes in account terms, rates, or fees as required by law. Changes in account ownership such as adding or removing a joint account owner, must be evidenced by a signed Membership Application and/or Account Card which, upon execution, will be incorporated herein by this reference. The credit union reserves the right to waive any term in this agreement. Any such waiver shall not affect the credit union's right to enforce any right or privilege in the future.

c. Effect of Notice. Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. mail, postage prepaid and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account.

d. Electronic Notices. If you have agreed to receive notices electronically, we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices.

TAXPAYER IDENTIFICATION NUMBER AND BACKUP WITHHOLDING - If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of interest, dividends and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may suspend the opening of your account.

STATEMENTS –

a. Contents. If the Credit Union provides a statement for your account, you will receive a periodic statement or notice of the availability of your statement, of all transactions and activity on your account during the statement period. If a periodic statement is provided you agree that only one statement is necessary for a multiple party account.

For checking accounts, you understand that when paid, your original check or draft (or any substitute check or draft) becomes property of the Credit Union and may not be returned to you, but copies will be retained by Credit Union and made available upon your request. You understand and agree that statements are made available to you on the date they are sent to you. You also understand and agree that checks or drafts or copies thereof are made available to you on the date the statement is sent to you, even if the checks or drafts do not accompany the statement.

b. Examination. You are responsible for examining each account statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, or unauthorized item drawn on your account if (1) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement reflecting such item containing any forgery, alteration, or unauthorized signature; or (2) any item is forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

c. Notice to Credit Union. You agree that the Credit Union's retention of checks or drafts does not alter or waive your responsibility to examine your statements and check or draft copies or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charge to your account unless you notify the Credit Union in writing within the above time limit after the statement and checks or drafts are made available to you. If you fail to receive a periodic statement, you agree to notify us within fourteen (14) days of the time you regularly receive a statement.

d. Address. If we mail you a statement, we will send it to the last known address shown in our records. If you have requested to receive your statement electronically, we will send the statement or notice of statement availability to the last e-mail address shown in our records.

INACTIVE AND ABANDONED ACCOUNTS - If you have not made a withdrawal from, deposit to, or transfer involving your account for more than one (1) year and the Credit Union has been unable to contact you by regular mail during that period, the Credit Union may classify your account as an inactive account and may charge an inactive account service fee as allowed by applicable law and set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges. Thereafter, dividends will be paid on the account unless the balance falls below any minimum balance requirement. The Credit Union will notify you at your last known address prior to imposing any fee as required by law. Checking accounts will continue to incur the monthly maintenance fee until closed by the member. You authorize us to transfer funds from an available account of yours to cover the monthly maintenance fee, if necessary. If a deposit or withdrawal has not been made on the account and the Credit Union has had no other contact with you for five (5) years as required by the Uniform Unclaimed Property Act, the account will be presumed to be abandoned. Funds in abandoned accounts will be remitted in accordance with state law. Once funds have been turned over to the state, the Credit Union has no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

DEATH OR INCOMPETENCE - We may honor all transfer orders, withdrawals, deposits, and other transactions on an account until we know of a member's death or adjudication of incompetence. Even with such knowledge, we may continue to pay checks or drafts drawn on the deceased member's account for a period of ten days after the member's death unless we receive instructions from any person claiming an interest in the account to stop payment on the checks or drafts. To the extent permitted by law, we may require anyone claiming funds from a deceased owner's account to indemnify us for any losses we sustain if we honor that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.

TERMINATION OF ACCOUNT - The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in the account; (4) any account checks or drafts are lost or stolen; (5) if there are excessive returned unpaid items not covered by an overdraft protection plan; or (6) if there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. Any one account owner may terminate an account at any time by notifying the Credit Union in writing. After reasonable notice of termination, the Credit Union is not responsible for payment of any check, draft, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check or draft after termination, you agree to reimburse the Credit Union for any such payment.

TERMINATION OF MEMBERSHIP; LIMITATION OF SERVICES - You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all of your accounts. You may be expelled from membership for any reason allowed by applicable law. We may restrict account access and services without notice to you when your account is being misused; you have demonstrated conduct which is abusive in nature; as outlined in any policy we have adopted regarding restricting services; or as otherwise permitted by law.

SPECIAL ACCOUNT INSTRUCTIONS - You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. We may require that account changes requested by you, or any account owner, such as adding or closing an account or service, be evidenced by a signed Account Change Card or other document which evidences a change to an account and accepted by us.

UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL ACTIVITIES - You agree that you are not engaged in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful internet gambling or other illegal activities.

SEVERABILITY - In the event that any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

ENFORCEMENT - Where there is no fault on the part of the Credit Union, you agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

GOVERNING LAW - This Agreement is governed by the following, as amended from time to time: the Credit Union's bylaws; local clearinghouse and other payment system rules; federal laws and regulations, including applicable principles of contract law; and the laws and regulations of the state of North Carolina. As permitted by applicable law, you agree that any legal action regarding this Agreement can only be brought in the county in which the debt is incurred, or the county in which the consumer lives when the suit is filed.

NEGATIVE INFORMATION NOTICE - We may report information about your loan, share, or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.

MONITORING AND RECORDING COMMUNICATIONS - We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise prohibited by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

FINANCIAL EXPLOITATION - As permitted by law, we may act or decline to act to prevent, stop, or mitigate financial exploitation of an adult. For example, we may: (1) delay, decline, or place a hold on a transaction or disbursement involving the adult; (2) approve or deny other requests or modifications to the account, such as a transfer of funds, change in ownership, or change in beneficiaries; or (3) notify a third party of the financial exploitation. We will not be liable for the actions we take on the account if we act in good faith and exercise reasonable care. For purposes of this section, "adult" means vulnerable adult, elder adult, senior adult, eligible adult, or other person as defined by applicable law.

ARBITRATION - PLEASE READ THIS PROVISION OF THIS AGREEMENT CAREFULLY. IT PROVIDES THAT ANY DISPUTE MAY BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JUDGE OR JURY AND THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, A DISPUTE IS RESOLVED BY AN ARBITRATOR INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES ARE SIMPLER AND MORE LIMITED THAN COURT PROCEDURES. DISCOVERY AND THE ABILITY TO APPEAL MAY BE LIMITED IN ARBITRATION.

a. Agreement to arbitrate. In the event of a dispute between you and us arising out of or relating to your membership in the Credit Union or any account you have with the Credit Union or any other dispute between you or us ("Claim"), either you or we may choose to resolve the Claim by

binding arbitration, as described below, instead of in court. Either party may initiate arbitration without the consent of the other party. Any Claim (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) may be resolved by binding arbitration if either side requests it. THIS MEANS IF EITHER YOU OR WE CHOOSE ARBITRATION, NEITHER PARTY SHALL HAVE THE RIGHT TO LITIGATE SUCH CLAIM IN COURT OR TO HAVE A JURY TRIAL. Even if all parties have opted to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or where any new Claims are later asserted in that lawsuit.

b. Class Action Waiver. Arbitration must be on an individual basis. This means neither you nor we may join or consolidate claims in arbitration by or against other members of the Credit Union, or litigate in court or arbitrate any claims as a representative or member of a class or in a private attorney general capacity. You will not be able to be part of any class action or other representative action brought by anyone else, or be represented in a class action or other representative action. In the absence of this arbitration agreement, you and we may otherwise have had a right or opportunity to bring claims in a court, before a judge or jury, and/or to participate or be represented in a case filed in court by others (including class actions and other representative actions). Claims, including assigned Claims, of two or more persons may not be joined or consolidated in the same arbitration. However, co-applicants and authorized users on a single account and/or related accounts, or corporate affiliates are here considered as one person, and may be joined in the same action or arbitration proceeding.

c. Whose Claims are Subject to Arbitration under this Agreement? Not only ours and yours, but also Claims made by or against anyone connected with us or you or claiming through us or you, such as a co-applicant, joint account holder, authorized user or beneficiary on any accounts you have with the Credit Union, along with any agent, representative, affiliated company, predecessor or successor, heir, assignee, or trustee in bankruptcy. In addition to the Credit Union, any parent, subsidiaries, affiliates, licensees, predecessors, successors, assigns, any purchaser of the debt relating to any account or debt collection agency retained to collect said debt, along with all of their officers, directors, employees, agents and representatives are also within the scope of this agreement and shall have the right to have any Claim resolved by binding arbitration.

d. What Claims are Subject to Arbitration? All past, present and future Claims that are in any way relating to or arising from your membership or any accounts you have obtained from the Credit Union, including Claims regarding the application, enforceability, or interpretation of this Agreement and this arbitration provision. All Claims are subject to arbitration, no matter what legal theory they are based on or what remedy (damages, or injunctive or declaratory relief) they seek. This includes Claims based on contract, tort (including intentional tort), fraud, agency, your or our negligence, statutory or regulatory provisions, or any other sources of law; Claims made as counterclaims, cross-claims, third-party claims, interpleaders or otherwise; and Claims made independently or with other claims. A party who initiates a proceeding in court may elect arbitration with respect to any Claim advanced in that proceeding by any other party. Claims and remedies sought as part of a class action, private attorney general or other representative action are subject to arbitration on an individual (non-class, non-representative) basis, and the arbitrator may award relief only on an individual (non-class, non-representative) basis. The term "Claims" shall be broadly interpreted so as to be included within the scope of this arbitration, unless otherwise excluded herein.

e. What about Claims filed in Small Claims Court? Claims filed in a small claims court are not subject to arbitration, so long as the matter remains in such court and advances only an individual (non-class, non-representative) Claim.

f. What about debt collections? We and anyone to whom we assign your debt will not initiate an arbitration proceeding to collect a debt from you unless you assert a Claim against us or our assignee. We and any assignee may seek arbitration on an individual basis of any Claim asserted by you, whether in arbitration or any proceeding, including in a proceeding to collect a debt. You may seek arbitration on an individual basis of any Claim asserted against you, including in a proceeding to collect a debt.

g. How does a party initiate arbitration? The party filing an arbitration must choose one of the following two arbitration firms and follow its rules and procedures for initiating and pursuing an arbitration: American Arbitration Association or JAMS. Any arbitration hearing that you attend will be held at a place chosen by the arbitration firm in the same city as the U.S. District Court closest to your then current billing address, or at some other place to which you and we agree in writing. You may obtain copies of the current rules of each of the arbitration firms and forms and instructions for initiating an arbitration by contacting them as follows:

American Arbitration Association
800-778-7879 (toll-free)
Website: www.adr.org

JAMS
800-352-5267 (toll-free)
Website: www.jamsadr.com

If both AAA and JAMS are completely unavailable, and if you and we cannot agree on a substitute, then either you or we may request that a court with jurisdiction appoint a substitute. At any time you or we may ask an appropriate court to compel arbitration of Claims, or to stay the litigation of Claims pending arbitration, even if such Claims are part of a lawsuit, unless a trial has begun or a final judgment has been entered. Even if a party fails to exercise these rights at any particular time, or in connection with any particular Claims, that party can still require arbitration at a later time or in connection with any other Claims.

h. What procedures and law are applicable in arbitration? A single, neutral arbitrator will resolve Claims. The arbitrator will be either a lawyer with at least ten years of experience or a retired or former judge, selected in accordance with the rules of the arbitration firm. The arbitration will follow procedures and rules of the arbitration firm in effect on the date the arbitration is filed unless those procedures and rules are inconsistent with this Agreement, in which case this Agreement will prevail. Those procedures and rules may limit the discovery available to you or us. The arbitrator will take reasonable steps to protect customer account information and other confidential information if requested to do so by you or us. The arbitrator will apply applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege recognized at law, and will have the power to award to a party any damages or other relief provided for under applicable law. You or we may choose to have a hearing and be represented by counsel. The arbitrator will make any award in writing and, if requested by you or us, will provide a brief statement of the reasons for the award. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the Claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute. To obtain a copy of the specific arbitration firm's rules and procedures, please contact either the AAA or JAMS, whose contact information is set forth in paragraph g above. This agreement involves interstate commerce and shall be governed by and enforceable under the Federal Arbitration Act, 9 U.S.C. §§ 1, *et seq.*

i. Who pays? Whoever files the arbitration pays the initial filing fee. If we file, we pay; if you file, you pay, unless you get a fee waiver under the applicable rules of the arbitration firm. If you have paid the initial filing fee and you prevail, we will reimburse you for that fee. If there is a hearing, we will pay any fees of the arbitrator and arbitration firm for the first day of that hearing. All other fees will be allocated as provided by the rules of the arbitration firm and applicable law. However, we will advance or reimburse your fees if the arbitration firm or arbitrator determines there is good reason for requiring us to do so, or if you ask us and we determine there is good reason for doing so. Each party will bear the expense of that

party's attorneys, experts, and witnesses, and other expenses, regardless of which party prevails, but a party may recover any or all expenses from another party if the arbitrator, applying applicable law, so determines.

j. When is an arbitration award final? The arbitrator's award is final and binding on the parties unless a party files a notice of appeal in writing to the arbitration firm within thirty calendar days of notice of the award. The appeal must request a new arbitration before a panel of three neutral arbitrators designated by the same arbitration firm. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same way they are allocated for arbitration before a single arbitrator. An award by a panel is final and binding on the parties after fifteen calendar days has passed. Following the appeal process the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof.

k. Survival and Severability of Terms. This arbitration provision shall survive: (i) termination or changes in the Agreement, accounts you obtained from the Credit Union, or the relationship between you and us concerning said accounts; (ii) the bankruptcy of any party; and (iii) any transfer, sale or assignment of your account, or any amounts owed on your account, to any other person or entity. If any portion of this arbitration provision is deemed invalid or unenforceable, the entire arbitration provision shall not remain in force. No portion of this arbitration provision may be amended, severed or waived absent a written agreement between you and us.

l. You Have the Right to Reject Arbitration. You may reject the arbitration agreement but only if we receive from you a written notice of rejection within 30 days of your receipt of your application for Membership. You must send the notice of rejection to: Allegacy Federal Credit Union, PO BOX 26043, Winston-Salem Salem, NC, 27114-6043. Your rejection notice must include your name, address, phone number, any applicable account numbers and personal signature. No one else may sign the rejection notice for you. Your rejection notice also must not be sent with any other correspondence. Rejection of arbitration will not affect your other rights or responsibilities under this Agreement. If you reject arbitration, neither you nor we will be subject to the arbitration provisions. Rejection of arbitration for this Account will not constitute rejection of any prior or future arbitration agreement between you and us.

**FUNDS AVAILABILITY
POLICY DISCLOSURE**

This disclosure describes your ability to withdraw funds at Allegacy Financial Federal Credit Union. It only applies to the availability of funds in your transaction accounts (e.g., checking accounts). We reserve the right to delay the availability of funds deposited to accounts that are not transaction accounts for periods longer than those outlined in this disclosure. Please ask us if you have a question about which accounts are affected by our availability policy.

For purposes of this disclosure, the terms "you" or "your" mean the member, and the terms "our," "we," or "us" mean Allegacy Financial Federal Credit Union. The term "check" means check or share draft, as applicable.

1. YOUR ABILITY TO WITHDRAW FUNDS – Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash, and we will use the funds to pay checks that you have written. 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 close of business 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 the close of business or on a day we are not open, we will consider that the deposit was made on the next business day we are open. Our business hours are available at the Credit Union.

2. LONGER DELAYS MAY APPLY – In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Depending on the type of check you deposit, funds may not be available until the second business day after the day of your deposit. The first \$275.00 of your deposits, however, may be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will send you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit 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 \$6,725.00 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.

3. SPECIAL RULES FOR NEW ACCOUNTS – If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$6,725.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$6,725.00 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$6,725.00 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

4. HOLDS ON OTHER FUNDS FOR CHECK CASHING – If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

5. HOLDS ON OTHER FUNDS IN ANOTHER ACCOUNT – If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

6. DEPOSITS AT AUTOMATED TELLER MACHINES (ATMs) – We may delay the availability of funds from deposits at ATMs as follows:

- a. Proprietary ATMs.** Funds from deposits (cash or checks) made at an ATM that we own or operate will be available by the second business day after the day of your deposit. However, the first \$275.00 of the deposit, as well as funds from checks drawn on Allegacy Financial Federal Credit Union and deposited at an ATM located at one of our branch offices and funds from U.S. Treasury checks that are payable to you, will be available on the first business day following the day we receive your deposit. All ATMs that we own or operate are identified as our machines.

b. Nonproprietary ATMs. Funds from any deposits (cash or checks) made at an ATM that we do not own or operate will not be available until the fifth business day after the day of your deposit.

7. FOREIGN CHECKS – Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institution upon which it is drawn.