

ALLEGACY FEDERAL CREDIT UNION WebBanking™ AGREEMENT AND DISCLOSURE

WebBanking™ is an online financial service offering a variety of content, products and services to Allegacy Federal Credit Union ("Credit Union") members (consumers, sole proprietors, and other business customers). The Credit Union grants you a nonexclusive, limited, and revocable right to access and use this service. This WebBanking™ Agreement and Disclosure ("Agreement") describes your rights and obligations as a user of the WebBanking™ service, including the credit union's WebPay™ service. It also describes the rights and obligations of the Credit Union. Please read this Agreement carefully. By requesting and using these Services, you agree to comply with the terms and conditions of this Agreement.

I. Definitions

The following definitions apply in this Agreement:

1. "Authorized Representative" refers to a person with authority (with respect to the account);
2. "ISP" refers to your Internet Service Provider;
3. " WebBanking™" is the internet-based service providing access to your Credit Union account(s);
4. "WebPay™" is the online service that enables the scheduling of bill payments using a personal computer.
5. "Online Account" means the Credit Union account from which you will be conducting transactions using a Service;
5. "Password" is the member-generated code selected by you for use during the initial sign-on, or the codes you select after the initial sign-on, that establishes your connection to the Service;
6. "PC" means your personal computer that enables you, with the Internet browser and ISP, to access your Online Account;
7. "Time of day" references are to Eastern Standard Time;
8. "User ID" is the Credit Union-generated member number to you for your connection to the Service.
9. "We", "us", or "Credit Union" refer to Allegacy Federal Credit Union ("Credit Union") which offers the Services and which holds the accounts accessed by the Services; and
10. "You" or "your" refers to the owner of the account or the authorized representative.

II. Access to Services

The Credit Union will provide instructions on how to use the WebBanking™ service. You will gain access to your Online Accounts through the use of your Internet-enabled device, your ISP, your Password and your User ID. You may access your Online Accounts 24 hours a day, seven (7) days a week. However, availability of the Services may be suspended for brief periods of time for purposes of maintenance, updating and

revising the software. The Credit Union may terminate, suspend, or limit your access and use privileges to WebBanking™, in whole or in part, at our sole discretion at any time without prior notice.

For purposes of transactions, the Credit Union's business days are Monday through Friday, excluding holidays and weekends. Some Online Banking transaction requests (such as requests made via secure forms) received after 5:00 p.m. on business days and all transactions that are requested on Saturdays, Sundays, or holidays on which the Credit Union chooses to remain closed, will be processed on the Credit Union's next business day.

III. Transactions with WebBanking™

Account Access. If we approve on-line services for your accounts, you must designate a separate user password. You must use this password along with your User ID to access your accounts. WebBanking™ allows you access to several services including:

- Obtaining balances and transaction histories on deposit and loan accounts.
- Changing your password.
- Obtaining stock quotes.

Transfer of Funds. In addition to viewing account information, you may use WebBanking™ to conduct the transfer of funds. You may make transfers among most of your share accounts or you may transfer loan payments.

NOTE: Because regulations require the Credit Union to limit preauthorized transfers (including WebBanking™ transfers), the following limitations apply:

Savings and Money Market Accounts: Transfers out of your savings and money market accounts are limited to six (6) per statement period using any combination of transfer made using the service or by telephone, checks, point of sale purchase or other preauthorized or automatic transfer services. This transfer limit includes deductions from your account to pay third parties, overdraft protection transfers and checks, drafts or similar orders made by you if your account offers these privileges. Federal law imposes these limits. *Please note:* If there are not sufficient funds in the account, we cannot complete the transfer.

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

IV. Schedule of Fees

The Credit Union offers the benefits and convenience of the WebBanking™ Service to you free.

V. Statements

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

VI. Use of Your Security Password

Initial Access. To login to the WebBanking™ Service for the initial sign on, you must change your password in accordance with the instructions provided.

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

- Do not give out your account information, Password, or User ID;
- Do not leave your PC unattended while you are using WebBanking™;
- Never leave your account information within range of others; and
- Do not send privileged account information (account number, Password, etc.) in any public or general e-mail system.

You agree not to disclose or otherwise make your password available to anyone not authorized by you to sign on all of your deposit accounts for withdrawals or all of your loan accounts for advances.

Authorization. If you do authorize any other individual(s) to have or use your password, you understand that these person(s) may use the WebBanking™ Service to review all of your account information and to perform transactions and that use of your password will have the same effect as your signature as to the authorization of all transactions, and that you are responsible for any transactions they authorize or conduct on any of your accounts.

If you believe your Password has been lost or stolen, please use the Password change feature immediately within WebBanking™ to change your Password.

If you suspect any fraudulent activity on your account, call the Credit Union immediately at (336) 774-3400 or 800-782-4670 between the hours of 7:30 a.m. to 5:00 p.m., Monday through Thursday and 7:30 a.m. to 6:00 p.m. on Friday.

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

NOTE: E-mail transmissions outside of the WebBanking™ service are not secure. We advise you not to send us or ask for sensitive information such as account numbers, Password, account information, etc. via any general or public e-mail system. If you wish to contact us electronically, from WebBanking™, select the “Questions?” link, and click the “click here to send an email” link. Use this secure form to e-mail the Credit Union regarding inquiries about an electronic funds transfer error resolution, reporting unauthorized transactions, or contacting the Credit Union regarding other concerns of a confidential nature. You may also click on the “Chat” link to receive immediate and secure assistance during the business hours listed above.

VII. Online Bill Payment Services

The WebPay™ Service permits you to use your Internet-enabled device to direct payments from your designated online account to third parties you wish to pay. Your

designated online account must be a checking account. Through the WebPay™ Service, you can pay bills from your account to businesses or individuals.

Description of Service. All payments you make will be deducted from the checking account that you designate. Any payments you wish to make through this service must be payable in U.S. dollars to a payee located in the continental United States. We reserve the right to restrict types of payees to whom payments may be made using the service from time to time.

Payment Scheduling. Funds must be available in your account on the scheduled payment date. If the date you schedule a payment to be initiated falls on a non-business day (Saturday, Sunday, or holiday), funds must be available in your account the prior business day (e.g. Friday). After funds are withdrawn from your account to make a payment, we may make the payment either by transferring funds electronically to the payee or by mailing the payee a check.

You may choose to schedule payments to recur in the same amount at regular weekly, monthly, or semi-monthly intervals. Other frequency options are available.

Payments are automatically processed to be delivered on the date you specify which should be on or before the due date on your bill. For Automatic Clearing House (ACH) electronic payments, you should schedule the payment 2 business days in advance of the due date. However if the company or person that you are paying cannot accept an electronic payment, the service will send a check payments, you should schedule a check payment at least 4 business days before the bill due date. This will allow a paper check issued on your behalf to arrive at your payee on the bill due date. For either method of payment, you should be sure that your checking account is funded on the scheduled due date. If you do not follow these time frames, you will be fully responsible for all late fees, finance charges or other actions taken by the payee. If you schedule your payment and follow all instructions provided, but the payment is not received by the payee in a timely manner, the Credit Union will work with the payee on your behalf to reverse any late fees or charges up to \$50.

No Duty to Monitor Payments. When the service receives a payment instruction, you authorize the service to debit your account and remit funds on your behalf so that the funds arrive as close as reasonably possible to the scheduled payment date designated by you. You also authorize the service to credit your account for payments returned to the service by the United States Postal Service or Payee, or payments remitted to you on behalf of another authorized user of the service.

The service will use its best efforts to make all your payments properly. However, the service shall incur no liability if the service is unable to complete any payments initiated by you because of the existence of any one or more of the following circumstances:

1. If, through no fault of the service, your account does not contain sufficient funds to complete the transaction or the transaction would exceed the credit limit of your overdraft account;
2. The payment processing center is not working properly and you know or have been advised by the service about the malfunction before you execute the transaction;

3. You have not provided the service with the correct account information, or the correct name, address, phone number, or account information, including the due date listed on the bill for the Payee;
4. The failure of any payee to correctly account for or credit the payment in a timely manner; and/or,
5. Circumstances beyond control of the service (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and the service has taken reasonable precautions to avoid those circumstances.

If your account does not have sufficient funds to make a payment as of the date the payment is debited from your account, the service will automatically block WebPay for three (3) business days; you can have WebPay access on the fourth (4th) day upon resolving the returned item. During this time, WebPay access is blocked and payments due to be sent during this time are cancelled. Fixed payments scheduled for future dates will not be affected. You are responsible to reschedule any cancelled payments if or when service is restored. In all cases, you are responsible for contacting the Credit Union at 336.774.3400 to either make alternate arrangements for the payment or reschedule the payment through the service. The Credit Union will attempt to notify you by e-mail or U.S. Postal Mail, but the Credit Union shall have no obligation or liability if it does not complete a payment because there are insufficient funds in your account to process a payment. The credit union can possibly have the account unblocked earlier upon resolving the returned item, unless the block is due to Insufficient Funds or Uncollected Funds. Contact Member Services at 336.774.3400 for research and assistance with blocked WebPay accounts.

Payment Methods. The service reserves the right to select the method in which to remit funds on your behalf to your payee. These payment methods may include, but may not be limited to, an electronic payment or a laser draft payment (funds remitted to the Payee are deducted from your account when the laser draft is presented for payment).

Cancel or Change Payment Instructions. You may cancel or change any scheduled payment (including recurring payments) by following the directions within the application. There is no charge for canceling or editing a scheduled payment. Once the service has begun processing a payment it cannot be cancelled or edited, therefore a stop payment request must be submitted.

No Signature Required. When any payment or other online service generates items to be charged to your account, you agree that we may debit your account without requiring your signature on the item, and without prior notice to you.

Stop Payment Requests. If you ask us to cancel a payment after it is issued and we agree to do so, we may charge you a stop payment fee as set forth in the Fee Schedule. Stop payment orders whether oral, written, or electronic, will be in effect for a period of six (6) months. If requested by the Credit Union, you will confirm any stop payment order in writing. After six (6) months, any stop payment will terminate and must be renewed in order to continue in effect. The Credit Union may pay any item that is presented following the lapse of any stop payment order.

Exception Payments. It is not recommended you use the service to make payments to settle securities purchases, tax payments, or court ordered payments. Payments for

these payees will be your sole responsibility if delayed or improperly processed or credited. In no event shall the service be liable for any claims or damages resulting from you scheduling these types of payments. The service has no obligation to research or resolve any claim resulting from an exception payment. All research and resolution for any misapplied, mis-posted or misdirected payments will be the sole responsibility of you and not of the service.

Prohibited Payments. Payments to Payees outside of the United States or its territories are prohibited through the service.

Bill Delivery and Presentment. This feature is for the presentment of electronic bills only and it is your sole responsibility to contact your Billers directly if you do not receive your statements. In addition, if you elect to activate one of the Service's electronic bill options, you also agree to the following:

The Service is unable to update or change your personal information such as, but not limited to, name, address, phone numbers and e-mail addresses, with the electronic Biller. Any changes will need to be made by contacting the Biller directly. Additionally it is your responsibility to maintain all usernames and passwords for all electronic Biller sites. You also agree not to use someone else's information to gain unauthorized access to another person's bill. The Service may, at the request of the Biller, provide to the Biller your e-mail address, service address, or other data specifically requested by the Biller at the time of activating the electronic bill for that Biller, for purposes of the Biller informing you about Service and/or bill information.

Upon activation of the electronic bill feature the Service may notify the Biller of your request to receive electronic billing information. The presentment of your first electronic bill may vary from Biller to Biller and may take up to sixty (60) days, depending on the billing cycle of each Biller. Additionally, the ability to receive a paper copy of your statement(s) is at the sole discretion of the Biller. While your electronic bill feature is being activated it is your responsibility to keep your accounts current. Each electronic Biller reserves the right to accept or deny your request to receive electronic bills.

Your activation of the electronic bill feature for a Biller shall be deemed by us to be your authorization for us to obtain bill data from the Biller on your behalf. For some Billers, you will be asked to provide us with your user name and password for that Biller. By providing us with such information, you authorize us to use the information to obtain your bill data.

The Service will use its best efforts to present all of your electronic bills promptly. In addition to notification within the Service, the Service may send an e-mail notification to the e-mail address listed for your account. It is your sole responsibility to ensure that this information is accurate. In the event you do not receive notification, it is your responsibility to periodically logon to the Service and check on the delivery of new electronic bills. The time for notification may vary from Biller to Biller. You are responsible for ensuring timely payment of all bills.

The electronic Biller reserves the right to cancel the presentment of electronic bills at any time. You may cancel electronic bill presentment at any time. The timeframe for cancellation of your electronic bill presentment may vary from Biller to Biller. It may take up to sixty (60) days, depending on the billing cycle of each Biller. The Service will notify your electronic Biller(s) as to the change in status of your account and it is your sole

responsibility to make arrangements for an alternative form of bill delivery. The Service will not be responsible for presenting any electronic bills that are already in process at the time of cancellation.

You agree to hold the Service harmless should the Biller fail to deliver your statement(s). You are responsible for ensuring timely payment of all bills. Copies of previously delivered bills must be requested from the Biller directly.

The Service is not responsible for the accuracy of your electronic bill(s). The Service is only responsible for presenting the information we receive from the Biller. Any discrepancies or disputes regarding the accuracy of your electronic bill summary or detail must be addressed with the Biller directly.

This Agreement does not alter your liability or obligations that currently exist between you and your Billers.

VIII. Linked Accounts

All accounts and loans within a single Credit Union Membership will be accessible immediately upon enrollment of that membership to WebBanking™, and thereafter, regardless of differences in ownership of individual deposit accounts within that membership, or differences to rights to loan advances on loans within that membership.

Users of the WebBanking™ service will hold the Credit Union harmless for account transfers, loan advances or subsequent withdrawals after account transfers or loan advances where there is a difference in ownership between any accounts or loans.

IX. Term and Termination

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

Termination for Cause. We may immediately terminate your WebBanking™ privileges (including the Bill Payment Service) without notice to you if you do not comply with the agreement governing your deposit or loan accounts or your accounts are not maintained in good standing.

Termination for Non-Use. We may terminate your WebBanking™ privileges (including the Bill Payment Service) without notice to you if you do not login to WebBanking™ during a consecutive five (5) month period.

Termination for Convenience. To terminate this Agreement, you may:

- Send an e-mail to allegacy@allegacyfcu.org
- By calling (336) 774-3400 or (800) 782-4670
- In writing to Allegacy Federal Credit Union, Attn: Contact Center, P.O. Box 26043, Winston-Salem, NC 27114-6043.

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

X. Electronic Fund Transfer Provisions for Consumers

If you are a business customer, this entire section does not apply to you.

Applicability. These provisions are only applicable to online electronic fund transfers that credit or debit a consumer's checking, savings or other asset account and are subject to the Federal Reserve Board's Regulation E (an "EFT"). When applicable, the Credit Union may rely on any exceptions to these provisions that are contained in Regulation E. All terms that are not defined in this Agreement but which are defined in Regulation E shall have the same meaning when used in this section.

Your Liability. The following determines your liability for any unauthorized EFT or any series of related unauthorized EFTs:

If you notify the Credit Union within two (2) business days after your password was lost or stolen, your liability will not exceed \$50.00 or the amount of the unauthorized EFTs that occur before notification, whichever is less.

If you fail to notify the Credit Union within two (2) business days after your password was lost or stolen, your liability will not exceed the lesser of \$500.00 or the total of:

- \$50.00 or the amount of unauthorized EFTs that occur within the two (2) business days; and
- the total of authorized EFTs which occur during the two (2) days before notification to the Credit Union, provided the Credit Union establishes that these EFTs would not have occurred had the Credit Union been notified within that two-day period.

You must report an unauthorized EFT that appears on your periodic statement, no later than 60 days of transmittal of the statement to avoid liability for subsequent transfers. Your liability will not exceed the amount of the unauthorized EFTs that occurred with the 60-day period. You may also be liable for the amounts as described in sections 1 and 2 above.

If the report is made orally, we may require that you send the complaint or question in writing within ten (10) business days. We will notify you with the results of the investigation within ten (10) business days and will correct any error promptly. If more time is needed, however, we may take up to forty-five (45) days to investigate a complaint or question. If this occurs, we will credit your account within ten (10) business days for the amount you think is in error. This will allow you to use the money during the time it takes us to complete our investigation. If your complaint or question is not received in writing within ten (10) business days, we may not credit your account until the investigation is completed. If an alleged error involves an electronic fund transfer outside a state or territory or possession of the United States, the applicable time periods for action by us are twenty (20) business days (instead of 10) and ninety (90) calendar days (instead of 45). If we determine that no error occurred, we will send you a written explanation within three (3) business days after the investigation is complete. You may request copies of the documents that were used in the investigation.

You may notify the Credit Union by telephone or in writing.

Telephone Numbers and Addresses. In case of errors or questions regarding an WebBanking™ transaction, call (336) 774-3400 or (800) 782-4670 or write us at:

Allegacy Federal Credit Union, Attn: Contact Center, P.O. Box 26043, Winston-Salem, NC 27114-6043.

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

- Your name and account number.
- A description of the error or the transfer in question and an explanation concerning why you believe it is an error or need more information.
- The dollar amount of the suspected error and date on which it occurred.

XI. Liability

Our Liability. This section explains our liability to you only to the extent that any other agreements, notices or disclosures have not separately disclosed our liability. In no event shall we be liable to you for failure to provide access to the WebBanking™ service. Unless otherwise required by applicable law, we are only responsible for performing the Online services as delineated in this Agreement.

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

1. If through no fault of the Credit Union, you do not have enough money in your account to make the transfer.
2. If circumstances beyond our control (such as fire, flood, power outage, equipment or technical failure or breakdown) prevent the transfer despite reasonable precautions that we have taken.
3. If there is a hold on your account, or if access to your account is blocked, in accordance with Credit Union Policy.
4. If your funds are subject to a legal proceeding or other encumbrance restricting the transfer.
5. If your transfer authorization terminates by operation of law.
6. If you believe someone has accessed your accounts without your permission and you fail to notify the Credit Union immediately.
7. If you have not properly followed the instructions on how to make a transfer included in this Agreement.
8. If we have received incomplete or inaccurate information from you or a third party involving the account or transfer.
9. If we have a reasonable basis for believing that unauthorized use of your Password or account has occurred or may be occurring or if you default under this Agreement, the Membership and Account agreement, a credit agreement or any other agreement with us, or if we or you terminate this Agreement.

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

Indemnification. You acknowledge and agree that you are personally responsible for your conduct while using WebBanking™ and agree to indemnify, defend and hold us, our affiliate companies, directors, officers, employees and agents harmless from and against any loss, damage, liability, cost or expense of any kind, (including attorneys' fees) that we may incur in connection with a third party claim or otherwise, in relation to

your use of WebBanking™ or your violation of this Agreement or the rights of any third party.

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

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

XII. General Terms and Conditions

Credit Union Agreements. In addition to this Agreement, you and the Credit Union agree to be bound by and comply with the requirements of the agreements applicable to each of your Online Accounts. Your use of the WebBanking™ service is your acknowledgment that you have received these agreements and intend to be bound by them. You should review other disclosures including the charges that may be imposed for electronic funds transfers or the right to make transfers listed in the fee schedules accompanying those disclosures and the fee schedule contained in this Agreement. We will automatically deduct the fees related to this Service from your account(s).

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

Site Links. The WebBanking™ site contains links to other third party web sites. The Credit Union is not responsible for, nor controls the content, products, or services provided by linked sites. In addition, each third party site may provide less security than the Credit Union and have a privacy policy different than that of the Credit Union.

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

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

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

- where it is necessary for the provision of WebBanking™ and for completing transfers;
- in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;

- in order to comply with government or court orders, or other reporting requirements;
- if you give us your permission;
- to the Credit Union affiliated companies.

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