

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE

By signing the Membership Application and/or Account Card or signing or using an Automated Teller Machine (ATM) Card, Visa® Check Card (card), Mia24® Member Information Access-audio response, or on-line access, you agree to the following terms governing your and our rights and responsibilities concerning the electronic funds transfer services, as applicable. Terms and conditions set forth elsewhere in this agreement shall also apply to your electronic funds transfer service. Electronic funds transfers (EFTs) are electronically initiated transfers of money through direct deposits, automated teller machines, audio response transactions, or home banking involving your deposit accounts at the credit union, and debit card purchases.

1. EFT SERVICES —

a. ATMS. If approved, you may use your card and personal identification number (PIN) in automated teller machines of the credit union, the VISA®, STAR®, PLUS® and Cirrus® Networks, and such other machines we may designate. For ATM 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 this type of transaction. Services and fees for ATM 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. At the present time, you may use your card to make the following transactions on your accounts:

- Withdraw cash from your share or checking accounts.
- Transfer funds between your share or checking accounts.
- Obtain balance inquiries on your share and checking accounts.
- Other transactions as offered and permitted in the future.

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

b. Visa Check Card. You may use your Visa Check Card (card) to purchase goods and services from participating merchants. However, you may not use your card to initiate any type of gambling transaction. If you wish to pay for goods or services over the Internet, you may be required to provide card member security information before you will be permitted to complete the transaction. You agree that you will not use your card for any transaction that is illegal under applicable federal, state, or local law. Funds to cover your Visa Check Card purchases will be deducted from your checking account.

For 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 transaction. 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.

For other types of transactions, if the balance in your account is not sufficient to pay the transaction amount, the Credit Union may pay the amount and treat the transaction as a request to transfer funds from other deposit accounts, approved overdraft protection accounts, or loan accounts that you have established with the Credit Union. If you initiate a transaction that overdraws your account, you agree to make immediate payment of any overdrafts together with any service charges to the Credit Union. In the event of repeated overdrafts, the Credit Union may terminate all services under this Agreement.

The Visa Check Card at all times remains the property of the credit union. Upon termination of this disclosure and agreement, you agree to surrender your Visa Check Card to the credit union immediately. If the card is lost or stolen, you agree to notify the credit union immediately upon discovery of such loss or theft. The credit union reserves the right to retrieve or seek the immediate return of your Visa Check Card without prior notice to you in the event that any of the following conditions occur:

1. Excessive overdrafts as a result of non-sufficient or uncollected funds on an account.
2. Any transaction that occurs (on your accounts) which results in a monetary loss to the credit union.
3. Loan, Visa or other delinquency with the credit union.
4. Forced closure of any of your accounts (due to misuse) at the credit union.
5. Any other situation in which the credit union deems revocation to be in its best interest.

c. Direct Deposit. Upon instruction of (i) your employer or (ii) the Treasury Department or (iii) other financial institutions, the credit union will accept direct deposits of your paycheck or of Federal recurring payments, such as Social Security.

d. PhoneBanking. If we approve audio response services for your accounts, you must designate a separate four (4) digit personal identification number (PIN). You must use your personal identification number (PIN) along with your member number and for specified transactions your account number to access your accounts. At the present time you may use the service to:

- Transfer funds between your checking, and share accounts and other account-to-account funds transfers.
- Make loan payments from your share or checking account.
- Advance funds from your line of credit and transfer to your checking or share account.
- Other transactions as offered and permitted in the future.

e. On-Line 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 member number to access your accounts. At the present time you may use the service to:

- Transfer funds between accounts which exist under the same member number.
- Make loan and Visa payments via transfers from accounts to which you have access, provided these accounts exist under the same number.
- Advance funds from an authorized line of credit for transfer to a checking or share account.
- Obtain balances and transaction histories on deposit and loan accounts.
- Change your password.
- Obtain stock quotes.
- Other transactions as offered and permitted in the future.

f. Electronic Check Conversion/Electronic Return Check Fees. If you pay for purchases or bills with a check or share draft, you may authorize your check or share draft to be converted to an electronic fund transfer. You may also authorize merchants or other payees to electronically debit your account for returned check fees. You are considered to have authorized these electronic funds transfers if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.

2. SERVICE LIMITATIONS —

a. ATM Machines.

- **Withdrawals.** There is no limit on the number of withdrawals you may make at credit union ATMs each day provided you do not exceed the maximum daily withdrawal amount. You may be charged an excess withdrawal fee as set forth in the Truth-in-Savings Disclosure. You may withdraw up to \$500 (if there are sufficient funds in your account) per day at credit union ATMs. For security reasons, sometimes there are other limitations imposed on the amount you may withdraw from our ATMs. Other limitations may apply at ATMs within the Visa, STAR, PLUS and Cirrus Networks.
- **Transfers.** You may transfer between your savings and checking accounts up to the balance in your accounts and available credit under a line of credit account at the time of the transfer at available locations.

b. VISA Check Card Purchase Limitations. There is no limit on the number of purchase transactions you may make by VISA Check Card during a statement period. No purchase may exceed the available funds in your account. The credit union reserves the right to refuse any transaction which would draw upon insufficient funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The credit union may set other limits on the amount of any transaction, and you will be notified of those limits. The credit union may refuse to honor any transaction for which you do not have sufficient available verified funds.

c. PhoneBanking. Your accounts can be accessed under audio response via a Touchtone telephone only. Not all push button phones are Touchtone. Converters may be purchased for pulse and rotary dial phones. Audio response service will be available for your convenience seven (7) days per week. This service may be interrupted for a short time each day for data processing. If you call during this time you will hear, "Our system is temporarily unavailable, please hang up and try your call later." There is no limit on the number of transaction requests you may make during a single phone call. While there is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day, there are certain limitations on transfers from a share account. For share accounts, you can make no more than six (6) transfers per statement cycle by preauthorized, automatic, or telephone transfer.

d. On-Line Access. Your accounts can be accessed via on-line access provided you possess adequate equipment and have an Internet provider. The on-line service will be available for your convenience seven (7) days per week; however, normal system maintenance and testing may cause some down time. Other limitations include:

- You have a limited number of attempts to enter your password before the system logs you off.
- The credit union may set limits on the total dollar amount of any one transaction.
- The credit union may set limits on the length of time per user session.
- The credit union may set limits on the aggregate dollar amount of multiple transactions.
- The credit union may set limits on the number of transactions done in a particular time frame.
- The dollar amount of any transaction may also be limited by the amount of money available in any one account.
- All transactions are subject to regulatory restrictions which normally apply in the financial services industry.

No transfer or withdrawal may exceed the available funds in your account. The credit union reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The credit union may set other limits on the amount of any transaction, and you will be notified of those limits. The credit union may refuse to honor any transaction for which you do not have sufficient available verified funds.

3. CONDITIONS OF CARD USE — The use of your card is subject to the following conditions:

a. Ownership of Cards. Any card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the card, immediately according to instructions. The card may be repossessed at any time in our sole discretion without demand or notice. You cannot transfer your card or Account to another person.

b. Honoring the Card. Neither we nor merchants authorized to honor the card will be responsible for the failure or refusal to honor the card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund. We will not be liable for any claims by you against the merchant arising from use of your card for any point-of-sale (POS) transactions.

c. Foreign Transactions. Purchases and cash withdrawals made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives or the government-mandated rate in effect for the applicable central processing date. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

A fee of 1 percent of the amount of the transaction, calculated in U.S. dollars, will be imposed on all multiple currency foreign transactions, including purchases, cash withdrawals and credits to your account. A fee of 0.8 percent of the amount of the transaction, calculated in U.S. dollars, will be imposed on all single currency foreign transactions, including purchases, cash withdrawals and credits to your account. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the United States, with the exception of U.S. military bases, U.S. territories, U.S. embassies or U.S. consulates.

d. Authorized Transactions. The credit union is authorized to charge your checking, share, line of credit, or Visa Check Card account as necessary to complete all transactions made by using the card. You agree not to use the card (or permit it to be used) to make any withdrawal, transfer or payment from any checking, share, line of credit, or Visa Check Card account if there is not enough money in those checking or share accounts or available funds in your line of credit or Visa Check Card account to complete the transaction. If use of your card overdraws any account(s), you agree to make immediate payment to the credit union of the amount of those overdrafts plus any applicable fees as disclosed in the Truth-in-Savings Disclosure. If you have a line of credit with the credit union, the terms and conditions of the line of credit agreements will cover all overdrafts from your checking account, regardless of whether they result from the use of checks, cash advance requests, or the Visa Check Card. You are responsible for all authorized transactions arising from use of your card. You will be liable for all other transactions arising out of the use of your Card to the maximum extent allowed by applicable laws and regulations.

e. Security of Personal Identification Number (PIN). The ATM personal identification number (PIN), VISA Check Card personal identification number (PIN), POS personal identification number (PIN), audio response personal identification number (PIN) and on-line access password selected by you are for your security purposes. The PINs and password are confidential and should not be disclosed to third parties or recorded on or with the card. You are responsible for safekeeping your personal identification number (PIN) and password. You agree not to disclose or otherwise make your personal identification number (PIN) available to anyone not authorized to sign on your accounts. If you authorize anyone to use your personal identification number (PIN) or password, that authority shall continue until you specifically revoke such authority by notifying the credit union. If you fail to maintain the security of these access codes and the credit union suffers a loss we may terminate your ATM and account services immediately.

f. Authorized Use. All transactions made using the card by any person other than yourself shall be considered transactions expressly authorized by you if the user was furnished with or given access to the card or personal identification number (PIN), whether by you or any other authorized user.

4. MEMBER LIABILITY — You are responsible for all EFT transactions you authorize. If you permit someone else to use an EFT service, your card or your access code, you are responsible for any transactions they authorize or conduct on any of your accounts.

Tell us AT ONCE if you believe your card has been lost or stolen or if you believe someone has used your Card or access code or otherwise accessed your accounts without your authority or if you believe that an electronic funds transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If a transaction was made with your Visa Check Card or card number without your permission, and was either a Visa or Interlink transaction, you will have no liability for the transaction, unless you were grossly negligent in the handling of your account or card. For all other EFT transactions, including ATM transactions or if you were grossly negligent in the handling of your account or card, your liability for an unauthorized transaction is determined as follows.

If you tell us within two (2) business days you can lose no more than \$50 if someone used your card without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card, and we can prove we could have stopped someone from using your card without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, TELL US AT ONCE. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty (60) days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods. If you believe your card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call:

(336) 774-3400 or
1-800-782-4670

or write:

Allegacy Federal Credit Union
Electronic Funds Transfer
PO Box 26043
Winston-Salem, NC 27114-6043

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

5. BUSINESS DAYS — Our business days are Monday through Friday. Holidays are not included.

6. FEES AND CHARGES — There are certain charges for EFT services as set forth in the Truth-in-Savings Disclosure. From time to time, the charges may be changed. We will notify you of any changes as required by law. If you request a transfer or check withdrawal from your line of credit account, such transactions may be subject to charges under the terms and conditions of your loan agreement.

If you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used to complete the transfer (and you may be charged a fee for a balance inquiry). The fee will be debited from your account if you elect to complete the transaction or continue with the balance inquiry.

7. RIGHT TO RECEIVE DOCUMENTATION OF TRANSFERS —

a. Periodic Statements. Transfers and withdrawals transacted through an ATM, Visa Check Card, the audio response system or on-line access will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.

b. Direct Deposits. If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling the phone numbers listed above. This does not apply to transactions occurring outside the United States.

c. Terminal Receipt. You can get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM and/or POS terminal.

8. ACCOUNT INFORMATION DISCLOSURE — We will disclose information to third parties about your account or the transfers you make:

- As necessary to complete transfers;
- To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant;
- If your account is eligible for emergency cash and/or emergency card replacement services, and you request such services, you agree that we may provide personal information about you and your account that is necessary to provide you with the requested service(s);
- To comply with government agency or court orders;
- If you give us your written permission.

9. CREDIT UNION LIABILITY FOR FAILURE TO MAKE TRANSFERS — If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will NOT be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer, your account is inactive, or the transfer would go over the credit limit on your line of credit.
- If you used the wrong personal identification number (PIN) or you used a personal identification number (PIN) or card in an incorrect manner.
- If the card has expired or is damaged and cannot be used.
- If the automated teller machine (ATM) where you are making the transfer does not have enough cash.
- If the ATM was not working properly and you knew about the problem when you started the transaction.
- If circumstances beyond our control (such as fire, flood or power failure) prevent the transaction.
- If the money in your account is subject to legal process or other claim.
- If your account is frozen because of a delinquent loan.
- If the ATM machine retains your card in certain instances, in which event you may contact the credit union about its replacement.
- If the error was caused by a system of any of the designated ATM networks.
- If there are other exceptions as established by the credit union.
- If a merchant refuses to accept your Visa Check Card.

10. PREAUTHORIZED ELECTRONIC FUND TRANSFERS —

a. Stop Payment Rights. If you have arranged in advance to make regular electronic fund transfers out of your account(s) for money you owe others, you may stop payment of preauthorized transfers from your account. You must notify the credit union orally or in writing at the telephone number and address disclosed in the "Member Liability" Section, any time up to three (3) business days before the scheduled date of the transfer. The credit union may require written confirmation of the stop payment order to be made within fourteen (14) days of any oral notification. If we do require the written confirmation, the oral stop payment order shall cease to be binding fourteen (14) days after it has been made. The fee for a stop payment request is set forth in the Truth-in-Savings Disclosure.

b. Notice of Varying Amounts. If these payments may vary in amount, the company you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set. A stop payment request for preauthorized Electronic Fund Transfers will apply to all subsequent transfers, unless you withdraw the request.

c. Liability for Failure to Stop Payment of Preauthorized Transfers. If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

11. TERMINATION OF ELECTRONIC FUND TRANSFER SERVICES — You agree that we may terminate this agreement and your electronic fund transfer services, if:

- You, or any authorized user of your personal identification number (PIN) or password, breach this or any other agreement with us;
- We have reason to believe that there has been an unauthorized use of your ATM card, Visa Check Card, personal identification number (PIN), or password;
- We notify you or any other party to your account that we have cancelled or will cancel this agreement; or
- You are terminated from credit union membership.

You or any other party to your account can terminate this agreement by notifying us in writing. Termination of service will be effective the first (1st) business day following receipt of your written notice.

Termination of this agreement will not affect the rights and responsibilities of the parties under this agreement for electronic transactions initiated before termination.

12. NOTICES — The credit union reserves the right to change the terms and conditions upon which this service is offered. The credit union will mail notice to you at least twenty-one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing the credit union account and any future changes to those regulations.

13. BILLING ERRORS — In case of errors or questions about your electronic transfers, or if you need more information about a transfer on the statement or receipt, telephone us at the phone numbers or write us at the address set forth on page 15 as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

- Tell us your name and account number.
- Describe the transaction you are unsure about and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

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

We will tell you the results within three (3) business days of completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.*If you give notice of an error within thirty (30) days after you make the first deposit to your account, we will have twenty (20) business days instead of ten (10) business days.

** If you give notice of an error within thirty (30) days after you make the first deposit to your account, notice of an error involving a point of sale transaction, or notice of an error involving a transaction initiated outside the U.S. its possessions and territories, we will have ninety (90) days instead of forty-five (45) days to investigate.

NOTE: If the error you assert is an unauthorized Visa transaction, other than a cash disbursement at an ATM, we will credit your account within five (5) business days unless we determine that the circumstances or your account history warrant a delay, in which case you will receive credit within ten (10) business days.

14. ATM SAFETY NOTICE — The following information is a list of safety precautions regarding the use of ATMs and night deposit facilities.

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- Close the entry door of any ATM facility equipped with a door.
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction. If it is after the regular hours of the financial institution and you are using an ATM, do not permit entrance to any person you do not know.
- Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your ATM access device or deposit envelope, and leave.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your personal identification number (PIN) or access code on your ATM card.
- Report all crimes to law enforcement officials immediately. If emergency assistance is needed, call the police from the nearest available public telephone.

15. GOVERNING LAW — This agreement is governed by the bylaws of the credit union, federal laws and regulations, the laws and regulations of the state of North Carolina and local clearinghouse rules, as amended from time to time. Any disputes regarding this agreement shall be subject to the jurisdiction of the court of the county in which the credit union is located.

16. ENFORCEMENT — You are liable to us for any losses, costs or expenses we incur resulting from your failure to follow this agreement. You authorize us to deduct any such loss, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.