



Individual & Business MEMBERSHIP AGREEMENT

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Notice to Members: The laws and regulations governing the financial services we provide are complex. To insure your understanding of our relationship with you, we provide this detailed agreement which explains both your responsibilities and ours. Please read this document carefully, and feel free to ask any questions regarding these terms and conditions.

BINDING ARBITRATION: EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THIS ARBITRATION PROVISION SUBSTANTIALLY LIMITS YOUR RIGHT TO BRING A LEGAL ACTION IN A JUDICIAL FORUM (EXCEPT FOR MATTERS THAT MAY BE BROUGHT IN SMALL CLAIMS COURT AS SET FORTH HEREIN). PLEASE READ THIS SECTION CAREFULLY. THE PARTIES WILL NOT HAVE A RIGHT TO HAVE A JUDGE OR JURY DECIDE ANY CLAIM OR DISPUTE; AND THE ABILITY TO APPEAL IS LIMITED IN AN ARBITRATED MATTER HEREUNDER. ANY DISPUTES WILL BE DECIDED BY A NEUTRAL ARBITRATOR. FURTHER, NEITHER PARTY NOR ANYONE OF THEIR BEHALF CAN PURSUE ANY CLAIM OR DISPUTE IN ANY CLASS OR REPRESENTATIVE CAPACITY. IT IS THE INTENT OF THE PARTIES HERETO TO PROVIDE A FUNDAMENTALLY FAIR AND LESS COSTLY FORUM TO ADDRESS ANY DISPUTES BETWEEN THE PARTIES; AND THE PARTIES SPECIFICALLY AGREE TO THIS ALTERNATIVE METHOD OF DISPUTE RESOLUTION AS AN INTEGRAL PART OF THE RELATIONSHIP BETWEEN THE PARTIES. SEE PARAGRAPH 27 HEREIN FOR COMPLETE DETAILS.

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INTRODUCTION

Dear Member:

This Booklet and the Rate and Fee Schedule ("Schedule") explain the rules which govern your account(s) and account services with us. Please read this Booklet and the Schedule carefully and keep them in a safe and convenient place.

Your relationship with the Credit Union is also governed by state and federal laws, which may change from time to time. The body of law is too large and complex to be reproduced here. **The purpose of this Booklet is to: (1) summarize the rules applicable to common Transactions; (2) establish rules to govern Transactions not regulated by state or federal law; (3) establish variations that will apply to certain rules, events or Transactions as permitted by applicable law; and (4) provide you with certain disclosures and information regarding our policies as required by law. By signing a Membership Application and Signature Card or your use or continued use of any account or account services after receiving this Booklet, notice of its availability or notification of any change in terms, you, jointly and severally, agree that you understand and agree to the terms and conditions stated in this Booklet, and the Schedule, as amended from time to time. If you have any questions regarding any term or condition in this Booklet, please ask us before signing the Membership Application, any application or using any of our services.**

How to Apply for Membership and Individual Services:

1. Read and Retain all documents contained in the Membership Agreement and Addendum(s).
2. Complete and sign the Membership Application.
3. Mail or bring back your application to Telco Community Credit Union, 1137 Smokey Park Highway, Candler NC 28715 We follow the guidelines set forth in section 326 of the US Patriot Act.

How to Apply for an Open-end Credit Plan / Sub-Accounts*

***NOTE: Non-members can apply for a loan before becoming a member, however, you must become a member to actually obtain a loan with Telco Community Credit Union.**

1. Read and retain all documents contained in Telco Community Credit Union's Section of this **Booklet** and applicable Addendum and Inserts (Credit Plan Agreement and Disclosures, Billing Rights Disclosure, and Credit Plan Addendum together with applicable Credit Insurance Inserts / Addendum as applicable)
2. Complete and sign a credit application.
3. Mail or bring back your application to Telco Community Credit Union with verification of income.

Once you're approved for a Credit Plan, you'll be able to easily apply for advances at any Telco Community Credit Union office, (828) 252-6458, 1137 Smokey Park Highway, Candler NC 28715. www.telcoccu.org

OPEN-END LOAN PLAN AND CREDIT AGREEMENT

This Sub-Section provides an explanation of the Open-end Credit Plan Agreement offered by Telco Community Credit Union. This includes the Credit Union's Truth-in-Lending Disclosures.

Your Request for a Convenient Credit Union Credit Plan:

Approval of your advances under your Credit Plan is based on your credit record and proven ability to repay your obligations. We may occasionally require to provide updated credit information. If you have questions about the Credit Plan program offered by your Credit Union please contact any Credit Union office for assistance.

Credit Plan Agreement

This Credit Plan Agreement, which includes your Truth in Lending disclosures, is referred to as the Plan. The Plan documents include this agreement and an Addendum. All agreements and all subaccounts are controlled by and are a part of this Plan. You, your and borrower mean any person who signs the Plan. Credit Union, we, our and us mean Telco Community Credit Union or anyone to whom the Credit Union transfers its rights under the Plan.

HOW THIS PLAN WORKS - This is an open-end, multi-featured credit plan. We anticipate that, from time to time, you will borrow money by making advances under the Plan. We are not required to make advances to you under the Plan and can refuse a request for an advance at any time. The Addendum describes the different types of credit (which we refer to as "subaccounts") that are available under the Plan, the current interest rate for each subaccount expressed as a daily periodic rate and corresponding annual percentage rate and other charges. It may also have other terms and a schedule for determining the payment amounts.

CREDIT LIMIT - We may, but do not have to, establish a credit limit on certain subaccounts. If a credit limit is set for a subaccount, you promise not to exceed the established credit limit. If you exceed the credit limit, you promise to repay immediately the amount which exceeds the credit limit.

REPAYMENT-You promise to repay all amounts you owe under the Plan plus interest. Payments are due on the last day of the month unless we set a different day at the time of an advance. If the Addendum has no payment schedule for a subaccount, your payment will be determined at the time of each advance. Payments must include any amount past due and any amount by which you have exceeded any credit limit you have been given for a subaccount. You may repay all or part of what you owe at any time without any prepayment penalty. Even if you prepay, you will still be required to make the regularly scheduled payments unless we agree in writing to a change in the payment schedule. If you have a joint share draft account, you will be responsible for paying all overdraft advances obtained by a joint holder of the share draft account. Unless otherwise required by law, payments will be applied to amounts owed under the Plan, in the manner the Credit Union chooses.

PLAN ACCESS-You can obtain credit advances in any manner authorized by us. If we allow you to use your ATM/Debit card to access the Plan, you may be liable for the unauthorized use of your ATM/Debit card. You will not be liable for unauthorized use that occurs after you notify us, orally or in writing, of the loss, theft, or possible unauthorized use. If you believe your ATM/Debit card has been lost or stolen, immediately inform the Credit Union by calling or writing us at the telephone number or address that appears elsewhere in the Plan. If the card is used to obtain unauthorized advances directly from the Plan, your liability will not exceed \$50. If the unauthorized withdrawal is from a share draft account, your liability is governed by the Regulation E disclosures you received at the time you received your ATM/Debit card, even if the withdrawal results in an advance being made from your overdraft subaccount.

FINANCE CHARGE - The dollar amount you pay for money borrowed is called a "finance charge" and begins on the date of each advance. A finance charge will be computed separately for each separate balance under the Plan. To compute the finance charge, the unpaid balance for each day since your last payment (or since an advance if you have not yet made a payment) is multiplied by the applicable daily periodic rate. The sum of these amounts is the finance charge owed. The balance used to compute the finance charge is the unpaid balance each day after payments and credits to that balance have been subtracted and any additions to the balance have been made. In addition to interest, we may charge other finance charges which are disclosed on the Addendum. If the interest rate is a variable interest rate, the Addendum explains how the variable interest rate works.

SECURITY - You pledge as security for the Plan all shares and dividends and, if any, all deposits and interest in all joint and individual accounts you have with us now and in the future. If a specific dollar amount is pledged for an advance, we will freeze shares in that account to the extent of the outstanding balance for the advance. Otherwise, your pledged shares may be withdrawn unless you are in default. Statutory Lien - If you are in default on a financial obligation to us, federal law gives us the right to apply the balance of shares and dividends in all individual and joint accounts you have with us to satisfy that obligation. After you are in default, we may exercise this right without further notice to you. The statutory lien and/or your pledge will allow us to apply the funds in your account(s) to what you owe when you are in default. 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 state or federal law if given as security.

Additional security for the Plan may be required at the time of an advance. If a subaccount identifies a type of property (such as "New Cars") you must give that type of property as security when you get an advance under that subaccount. A subaccount name such as "Other Secured" means you must provide security acceptable to us when you obtain an advance under that subaccount. Property you give as security will secure all amounts owed under the Plan and all other loans you have with us now or in the future, except any loan secured by your principal dwelling. Property securing other loans you have with us may also secure the Plan.

PROPERTY INSURANCE - You will be required to purchase property insurance on certain types of security that you give for advances. You may purchase the property insurance from anyone you choose that is acceptable to the Credit Union.

CREDIT INSURANCE-Credit life and/or credit disability insurance is optional under the Plan. If you qualify for and purchase the insurance from us, you authorize us to add the insurance premiums monthly to your loan balance and charge you interest on the entire balance. If you elect credit insurance, your payments may increase or the period of time necessary to repay your advance may be extended. The credit insurance rates may change during the Plan. If the rates change, we will provide any notices required by applicable law.

PERIODIC STATEMENT - On a regular basis you will receive a statement showing all transactions under the Plan during the period covered by the statement. Statements and notices will be sent to you at the most recent address you have given us in writing. Unless applicable law requires notice to each joint borrower, notice to any one of you will be notice to all.

JOINT ACCOUNTS - If this is a joint account, each of you is individually and jointly responsible for paying all amounts owed. That means we can enforce our rights under the Plan against any one of you individually or against all of you together. If you give us inconsistent instructions, we can refuse to follow your instructions. Unless our written policy requires all of you to sign for an advance, each of you authorizes the other(s) to obtain advances individually and agrees to repay advances made to the other(s). Any joint account holder may terminate the Plan by giving us prior written notice. If any of you terminate the Plan, the Plan is terminated for all of you. You remain liable individually and jointly for all advances incurred before termination.

FEES AND CHARGES - If you give us a security interest in certain types of property, we may charge you a filing fee to perfect our interest in the property. If we do, the amount of the fee will be disclosed to you at the time you obtain an advance. We may also charge you other fees in connection with the Plan. Our current fees are disclosed on the Addendum and will be added to your loan balance unless you pay them in cash.

UPDATING CREDIT INFORMATION - You promise that you will promptly give us written notice if you move, change your name or employment, or if any other information you provided to us changes. Upon our request, you also agree to provide us updated financial information.

WAIVER - We can delay or waive enforcing any of our rights under this Plan, including your obligation to make timely payments, without losing our right to enforce the terms of the Plan at a later time. If the law makes any term(s) of the Plan unenforceable, the other terms will remain in effect.

DEFAULT - You will be in default if you do not make a payment of the amount required when it is due. You will be in default if you break any promise you made under the Plan or if anyone is in default under any security agreement made in connection with an advance under the Plan. You will be in default if you die, file for bankruptcy, become insolvent, if you make any false or misleading statements in any credit application or update of credit information, or if something happens we believe may substantially reduce your ability to repay what you owe. You will also be in default under the Plan if you are in default under any other loan agreement with us.

STATE SPECIFIC MATTERS OMITTED.

ACTIONS AFTER DEFAULT - When you are in default, we can require immediate payment (acceleration) of the entire unpaid balance under the Plan. You waive any right you have to demand for payment, notice of intent to accelerate and notice of acceleration. If immediate payment is demanded, you will continue to pay interest until what you owe has been repaid, at the applicable interest rates in effect or, if applicable, at the default rate disclosed on the Addendum. If a demand for immediate payment has been made, your shares and/or deposits can be applied towards what you owe as provided in the Section above called "Security". We can also exercise any other rights given by law when you are in default, and any rights we have under any Security Agreements you have with us.

CANCELLING OR CHANGING THE PLAN - We have the right to change the terms of the Plan from time to time after giving you any advance notice required by law. Any change in the interest rate will apply to future advances, and at our discretion and subject to any requirements of applicable law, will also apply to unpaid balances.

STATE SPECIFIC MATTERS OMITTED. Billing Rights Notice

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT - If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a

separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and the last four digits of your account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay a credit card account automatically from your share account or share draft account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE - We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the statement was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to send statements to you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your statement that are not in question.

If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your statement was correct.

SPECIAL RULE FOR CREDIT CARD PURCHASES - If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right: (a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and (b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

MEMBERSHIP, ACCOUNT AND ACCOUNT SERVICES

AGREEMENT -- GENERAL TERMS AND CONDITIONS

1. **Terms, Conditions and Limitations of Your Relationship with the Credit Union.** The purpose of this Section is to state the terms and conditions that apply to all of your accounts, account services or other relationships with us, including without limitation loan, safe deposit and other services. You understand that the agreements, terms, conditions, rules and regulations applicable to your loans, and any other applicable account(s) or service(s) remain in full force and effect and continue to be applicable, except as specifically modified by this Agreement. Further, to the extent that the terms of a specific Subsection of this Agreement vary from the terms set forth in this Section, the specific terms and conditions of the Subsection will govern our relationship with you. All Credit Union services are further governed by the terms and conditions set forth in your account receipts, addenda or schedules that accompany agreements and/or disclosures, statements, and certificates; any other application or agreement we require; together with the Credit Union's Bylaws, policies and procedures, which are herein collectively referred to as "Agreement". This Agreement governs all services whether opened now or in the future. This Agreement may be amended or revised by us at any time, and any change in the Agreement shall be immediately effective unless otherwise specifically required by applicable law. This Agreement is binding upon the account owner and all parties hereto together with their heirs, successors, assigns and any other person claiming any right or interest under or

through said parties. Transactions on your account may also be governed by agreements with third parties including but not limited to NACHA's (The National Automated Clearing House Association) Operating Rules and Mastercard's Operating Rules together with the Rules of any Networks through whom your transaction(s) may be processed, which agreements will also be binding upon you and the Credit Union. Such third party agreements may include terms different from the terms herein including but not limited to different processing, reporting or other time periods, or require you to make any claims or provide any notifications or responses, then the third parties' requirements and rules shall govern despite any other general or specific terms or conditions set forth in the entirety of this Agreement.

2. **General Definitions.** In this Booklet the words "**you**" or "**your(s)**" mean everyone that signs any Membership Application/Membership Application or is authorized to make Transactions regarding your account(s) as provided herein or by governing law, including any account service(s). "**We,**" "**us,**" or "**our**" means the Credit Union. "**Account Card**" means any signature card or Membership Application, account change card or other form required to open or change an account or obtain an account service with us. Share drafts include checks and other instruments drawn on your account(s) or submitted for deposit or collection.

"**Access Device**" means any card, electronic access device and/or any codes, passwords or personal identification numbers (PIN) that we issue to allow you to access and/or use any account or other services.

"**Authorized User**" means any person who has actual, implied or apparent authority, or to whom any owner has at any time given any information, access device or documentation that enables such a person to access, withdraw, make transactions to or from your accounts, or to use any of your account services. If you authorize anyone to use your access devices, 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 any or all of your account services immediately.

This definition is intended to be construed broadly and includes without limitation all users acting under a written document such as a power of attorney as well as any person or entity that is authorized to make deposits or debits to or from your accounts with us.

"**Check**" means an acceptable written "instrument" on your account(s), and includes the term "share draft."

"**Instrument**" means a written order as defined by Articles 3 and 4 of the Uniform Commercial Code pursuant to the laws of the State set forth in this Agreement.

"**Member**" means the person(s) who has established their "membership" with us as set forth in this Agreement and applicable law. Each person must deposit and maintain the par value (\$5) of the required shares to be a member. Pursuant to the Credit Union's policies, a joint owner may establish membership through a joint ownership interest in an account if otherwise qualified for membership. Thus, more than one member may establish "membership" through a particular account. An owners' rights with regard to the par value deposit necessary to maintain membership may be restricted as set forth in this Agreement or otherwise.

"**Owner**" means the person(s) who have a present ownership interest in the sums on deposit in the multiple party (joint) accounts with the Credit Union, subject to the Credit Union's lien rights or any security interest. A person is not an "owner" unless specifically designated as such in a completed and signed Membership Application and Signature Card.

"**Shares**" for the purpose of your pledge to secure your obligations to the Credit Union, our common law right of set off, and otherwise, "**share(s)**" mean all deposits in any share savings, share draft, club, share certificate, P.O.D., revocable trust or custodial account(s), whether jointly or individually held -- regardless of contributions, that you have on deposit now or in the future, all of which are deemed "general deposits," for the purpose of your pledge. Your pledge does not include any I.R.A., Keogh, tax escrow, irrevocable trust or fiduciary account in which you do not have a vested ownership interest.

"**Transaction or transaction**" means any deposit, order, transfer, payment, purchase via POS transaction or otherwise, withdrawal or other instruction relating to any account or account service provided by the Credit Union.

3. **Your Agreement With the Credit Union.** All accounts and account services are governed by the terms and conditions in this Booklet and the Schedule; your Membership Application(s), account receipts, statements and certificates; any other application or agreement we require; together with the Credit Union's Bylaws, policies and procedures, which are herein collectively referred to as "Agreement". This Membership and Account Agreement governs all your accounts and services, including but not limited to loan services, whether opened now or in the future, except as otherwise specifically provided in this Booklet or other agreement(s) with us. This Agreement may be amended or revised by us at any time, and any change in the Agreement shall be effective at the earliest time allowed by law. This Agreement is binding upon all parties hereto and their heirs, successor, assigns and any other person claiming any right or interest under or through said parties.
- 3.a. **Inappropriate Transactions.** You warrant and agree that you will not use any Credit Union Accounts or Services, including but not limited to loans, to make or facilitate any illegal transaction(s) as determined by applicable law; and that any such use, including any such authorized use, will constitute a breach of this Agreement. Certain federal and/or state laws or Third Party Service Providers' Rules may limit or prohibit certain transactions such as (but not limited to) those coded as possible gambling transactions. The Credit Union may decline to accept, process or pay any transaction that we believe to be illegal or unenforceable (regarding your obligation to pay us or otherwise) under applicable law; or which is otherwise limited or prohibited, including but not limited to any transaction involving or relating to any gambling activity. Such prohibition or limitations may affect some otherwise proper or allowable transactions such as debits, charges

or other transactions at or relating to a hotel-casino. You understand and agree such limitations/prohibitions are not within the Credit Union's control and that the Credit Union will not have any liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s); or for declining to accept, process, or pay any such transaction. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from any such use of your account and/or access devices.

3.b. **Taxpayer Identification Numbers and Certification.** Pursuant to the Membership Application used to establish your membership with us, you provided a certification regarding the accuracy of your taxpayer identification number (usually your Social Security Number) and whether your account is subject to backup withholding under the Internal Revenue Code. You acknowledge and agree that this certification applies to any and all accounts you have with us now or in the future, unless you provide written notification to us that specifically provides otherwise.

3.c. **Transaction Limitations and the Credit Union's Business Days.** Except as may be otherwise specifically provided in our Agreements, all Transactions after our "daily cut-off time" and made on days that are not our business days as set forth in the Schedule will be treated, transmitted, recorded, etc., as applicable and appropriate as if received on the next business day that we are open. Deposits, orders, instructions, requests, etc., received by mail, electronically, at an unstaffed facility, or outside depository will be processed and credited only when actually received by us, and we shall have no responsibility until we actually receive the item.

4. **Membership Benefits and Obligations.** Upon approval of your application and the deposit of any required shares, you become a "member-owner" of this Credit Union. As a "member-owner" you are eligible to apply for all Credit Union deposit, loan and other financial services; and you may vote at all annual or special meetings of the membership if you are 16 years of age or older. You have an obligation to the Credit Union and all other member-owners to follow the rules established from time to time for the use of these services, and not to cause the Credit Union any loss. This includes, but is not limited to your obligation to repay all debts, loans, credit advances as well as other contractual, equitable and statutory obligations that may be payable by you to us.

4a. **Credit Union Membership is a Privilege. It is not a Right.** The Credit Union has no obligation to open a membership account or to extend any services to any person or business. Simply being qualified to apply for membership (i.e., begin within the Field of Membership of the Credit Union) does not obligate the Credit Union to allow any person(s) or authorized signers to become a member when it is in the best interests of the Credit Union to deny such a privilege. This applies to new applicants as well as to any persons or business whose membership is terminated for any reason who reapplies for membership at a later time.

CROSS-COLLATERALIZATION: To reduce the possibility of loss, members grant to the Credit Union a lien on all shares and agree that all collateral pledged to secure any loan obligation owed to us will also secure payment of your other obligations. This pledge will secure all obligations owed at the time of the pledge or which arise thereafter. This "cross-collateralization" of your obligations applies to all debts regarding your accounts, loans or otherwise, including but not limited to each closed-end loan obligation, each advance under any open-end loan plan, all obligations under any credit card agreement with us, and overdrafts. Unless a contrary intent is evidenced in writing, obligations secured by a primary residence are not included in the "cross-collateralization" of your obligations to us.

5. **Credit Reports, Membership Eligibility and Future Services.** To open or maintain any account(s) or service(s) with us, you must qualify for membership and deposit and maintain the par value of the required shares as provided by the Credit Union's Bylaws and other applicable laws. **To verify your eligibility for any account(s), service(s), or loan products, now and in the future; or as needed to comply with any applicable law, regulation or governmental agency requirements, you authorize us to make inquiry to determine your employment history and to obtain information concerning any accounts with other institutions and your credit history, including consumer credit reports. You agree that this authority applies to any account, account-related service, loans or other financial products you request or which we may offer or make available to you.** We may also report information concerning your account(s) and credit to others.

Defaults and Your Credit Reports: **The Credit Union may report information about your account(s) to third parties such as credit reporting agencies/bureaus. Late payments, missed payments, insufficient funds transactions or other defaults on your loan and share/share draft account(s) may be reflected in your credit report.**

6. **Deposits to Your Account(s) and Instruments Cashed.** Funds may be deposited to any account, in any manner that is acceptable to us. Deposits may be made by mail, in person at any of our offices having facilities to accept deposits, or by direct deposit or other electronic funds transfer allowed by us.

a. **Endorsements.** You authorize us, in our discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of any one or more owners on the account, whether or not endorsed by all payees. All owners are deemed to receive the benefit of all deposits and the proceeds of such deposits; and we may give cash back to any payee. You authorize us to supply missing endorsements of any owners. If an insurance, government, or other check or draft requires an endorsement as set forth on the back of the check or draft, we may require endorsement as set forth on the item. Endorsements must be placed in the space on the back of the share draft or check between the

top edge and 1½ inches from the top edge. We may accept drafts or checks with endorsements outside this space. However, if any such endorsement or any other markings you or any prior endorser has made on the draft or check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by us due to the delay or error. When you endorse any item your endorsement is a guaranty by you to us and all others who accept the item endorsed that the item you deposit is good; that the funds are properly payable; and you give other warranties under applicable laws. This means that if the item is not good or is not paid for any reason you are fully responsible to us or any other person for the amount of the item.

a1. **Substitute Checks:** You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check warranties and indemnity. If you do so, you agree to indemnify us for all losses we incur in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.

a2. **E-Checks:** When you or any person with authority authorize any E-Check you agree: (1) that we may pay the item as submitted to us; (2) that you shall be solely responsible for all information transmitted regarding such item(s) including but not limited to the payee(s), the amount(s) of the item(s), and endorsements or the lack thereof; and (3) you agree to indemnify us for all losses we incur in connection with any E-Check you authorize.

b. **Collection of Deposits.** In handling deposits to your account, we act only as your agent for collection and assume no responsibility beyond the exercise of ordinary care. By signing the Membership Application or using any accounts or services, you specifically waive your rights to notice of non-payment, dishonor or protest regarding all items presented for collection. We have the right to refuse any order, transfer or deposit, limit the amount that may be offered for deposit and to return all or any part of a deposit. Special instructions for handling an item are effective only if made in writing and given to us separately along with the item in question. We will not be liable for any default or negligence of correspondents or for loss in transit, and each correspondent will only be liable for its own negligence. Items and their proceeds may be handled in accordance with applicable Federal Reserve and other/local Clearing House rules/agreements. Without prior notice to you, we may charge back any item at any time before final payment, whether returned or not, and may also charge back any item drawn on us if, within the normal handling period for such item, the item cannot be honored against the drawer's account. We are authorized to pursue collection of previously dishonored items (including re-presentation), and in so doing we may permit the payor bank to hold an item beyond the midnight deadline. Items that we present or re-present may be truncated or converted to an electronic or other format. This means that if an item is not paid you are fully responsible for any loss we may incur in seeking to collect the item for you. Items not drawn by you upon us are not overdrafts, but are Insufficient Funds Items ("NSFs") that you must pay to us if we incur any loss in seeking to collect such items for you.

c. **Direct Deposits.** We may offer a direct deposit option allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts with us. You must authorize any direct deposits to your accounts by a separate authorization form. If applicable, you must notify us at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. You agree that you have an obligation to notify us immediately regarding the death of any person that receives any federal or state retirement, welfare, benefits or other payments via electronic or other deposit. If we are required to reimburse the federal or any state government, agency or authority for any payment deposited into your account for any reason, you agree that we may deduct the amount returned from any of your accounts, unless prohibited by law; and that you will be obligated to repay to us on demand any such sums.

d. **Direct Deposit or Transfer Authorization/Bankruptcy.** If you file bankruptcy and fail to cancel any instructions in your direct deposit or transfer authorization, then you hereby instruct your employer and us to continue to make and apply deposits, make loan payments in order to avoid delinquency and other transfers in accordance with your authorization, until written notification is received by us to discontinue any payments or transfers.

e. **Multiple Payees.** Unless any check, share draft or other instrument expressly indicates that the item is payable to conjunctive payees, the instrument shall be deemed payable in the alternative. If there is any ambiguity, the instrument shall be deemed payable in the alternative (example: a check payable to "A and B" is a conjunctive instrument. A check payable to "A or B;" "A, B;" "A/B", where "A and B are listed on separate lines;" or otherwise, where not expressly conjunctive are payable in the alternative).

f. **Night Deposit Facilities.** All deposits and payments made at one of our night deposit facilities are subject to the provisions and check collection procedures as disclosed to you in our "Funds Availability Policy."

g. **Final Payment.** All items, deposits, ACH (Automated Clearing House) transfers, or other transfers 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 such items or ACH transfers or both and impose a return item charge on your account without notice. If we incur any fee collecting any item, we may charge such fee to any of your accounts with us. We reserve the right to refuse or to return all or any item or funds transfer. We also have the right to charge back against any of your accounts with us all deposits, transfers, or collection items, including checks presented for payment of cash, that are returned to us due to non-payment, as a reclamation by the United States Treasury, or if we are required to repay any amounts previously collected for any reason whatsoever. These rights apply regardless of whether the amount of the item has been available for your use, or the amount of time that has passed since the date of the deposit.

If for any reason you do not have sufficient funds in your accounts to satisfy our charge back, then all joint owners agree to pay us the amount charged back on demand, together with all fees and costs as set forth herein.

7. **Transactions From Your Account(s).** Generally, you may withdraw and/or transfer funds from your account(s) at any time subject to the limitations set forth in this section and the Funds Availability Disclosure

in effect at the time of the deposit. Except as otherwise specifically provided in this Booklet or other written agreement(s) with us, all withdrawals shall be made in person or by written order, duly executed or by power of attorney upon a form acceptable to us and duly authenticated. Payments upon your order may be made in coin, bills, or checks at our option. You also agree that your account(s) are not assignable or transferable except to us, unless specifically authorized by the Credit Union in writing.

a. **Restrictions on Withdrawals from All Accounts.** In accordance with applicable law, we reserve the right to require you to provide written notice of any intended withdrawals from any account(s) of not less than seven (7) but not more than sixty (60) days before the intended date of withdrawal. Withdrawals will only be permitted if you have sufficient funds available in your account to pay the full amount of your withdrawal orders or you have an overdraft protection plan. If there are sufficient funds to cover some but not all of your withdrawal orders, we may permit those for which there are sufficient funds in any order we choose. We may refuse to allow a withdrawal, and will advise when required by applicable law if, for example: (1) there is a dispute between account owners; (2) a legal garnishment, attachment or levy is served on us; (3) the account(s) secures any obligation owed to us; (4) any required documentation has not been provided to us; or (5) you are delinquent or fail to pay a loan or any other obligation owed to us when due.

In addition to the foregoing if any person should instruct the Credit Union to make a large cash withdrawal (the definition of which shall be within the Credit Union's sole discretion) in lieu of other methods of transferring funds offered by the Credit Union, the Member hereby releases the Credit Union from any and all liability, claims and demands whatsoever which arise from or in any way relate to the Member's possession of any large sums of cash from the moment possession of same is made available to the Member; and Member will execute and deliver any further releases the Credit Union may require in connection with any such withdrawal.

In addition to the foregoing, for reasons that include your safety and that of the Credit Union, large amounts of cash are not maintained at any Credit Union facility. Therefore, daily cash withdrawals are limited to the sum set forth by the sole discretion of the Credit Union. Any amounts in excess of such limit must be facilitated by other means such as a cashiers check or wire transfer.

b. **Transaction Limitations for All Share Savings and Money Market/Money Management Accounts.** Pursuant to Federal Regulation D, during any calendar month, you may not make more than six withdrawals or transfers to another Credit Union account of yours or to a third party by means of a preauthorized, automatic, telephonic, home banking, or audio response transfer or instruction. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders, including orders received through ACH. Any minimum withdrawal requirements are set forth in the Schedule. If you exceed the transfer limitations set forth above in any statement period, we may reverse or refuse to make the transfer, and your account will be subject to closure by the Credit Union and a fee as stated in the Schedule.

If payment is made directly to the depositor, you may make an unlimited number of withdrawals from these accounts in person, by mail, at an ATM, or by telephone if the withdrawal is mailed to you in a check. There is also no limit on the number of transfers you may make to any loan account(s) with us.

The Credit Union uses an account monitoring program pursuant to the requirements of Regulation D, which determines if accounts exceed the transaction limitations herein, and whether account subject to required reserve requirements can be reclassified to a non-reserve status and vice-versa (based on the transaction limitations addressed herein and pursuant to applicable laws). Upon reclassification your existing account(s) will earn dividends, if any are paid, at the rate applicable to the account classification assigned and otherwise be subject to all terms and conditions herein for the classification assigned.

c. **Term Share Certificates.** Any term share certificate, certificate or share certificate accounts offered by the Credit Union are subject to the terms of this Agreement, the Schedule, and any account receipt or certificate, which are incorporated herein by reference. IRA certificate accounts are also subject to the limitations imposed by federal law and regulations and to any limitations set forth in your Credit Union IRA Agreement, the terms of which are also incorporated herein by reference.

d. **Checking Accounts.** The Credit Union may refuse any check or other item drawn against your account or used to withdraw funds from your account if it is not on a form approved by us. We also reserve the right to refuse any check or other item drawn against your account or used to withdraw funds from your account if made in a manner not specifically authorized for your account, if made more frequently or in a greater number than specifically permitted for your account, or if made in an amount less than the minimum withdrawal or transfer specifically permitted for your account. If we accept a check or other item not on a form approved by us, you will be responsible for any loss by us in handling the item. We may pay checks or other items drawn upon your account in any order determined by us, even if paying a particular check or item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account.

Because of the nature of the Credit Union check program, neither the Credit Union nor any other processing entities shall be responsible for the authenticity of the checks with regard to the signature or alterations; and checks, when presented, shall be paid without verification. We may disregard all information on or any writing or memorandum attached to any check or item except for your signature, the amount and the information that is magnetically encoded. You agree that we do not fail to use ordinary care because our procedures do not provide for sight examination.

You agree to take precaution in safeguarding your blank checks. You will notify us immediately if you learn or have reason to know that any of your checks have been lost or stolen. If you are negligent in safeguarding your checks, we will not have any liability or responsibility for any losses you incur as a result of fraud or forgery if we pay any such check in good faith pursuant to standard commercial practices.

d.1. You agree that we may impose a fee as set forth in the Schedule on the payee or other holder of a check or other item drawn against your account(s) that is presented for payment over the counter (in-person or

otherwise) at the Credit Union rather than being deposited in an account at another institution and presented for payment through the check collection system.

CHECKS FROM SOURCE OTHER THAN CREDIT UNION APPROVED VENDOR: The Credit Union approves the vendor(s) listed in the Schedule for check printing due to their high standards. Other companies that provide check printing services may not meet the high standards of our approved vendor(s). Therefore, you acknowledge and agree that we have no responsibility or liability to you whatsoever resulting, arising or relating from/to: non-payment; returns as no account/insufficient funds or otherwise; or any other processing/payment error with regard to any check that is not printed by our approved vendor(s).

e. **Telephone Transfers.** A transfer of funds from one of your accounts to another of your accounts at the Credit Union may be made by telephonic instructions given by the same persons and under the same conditions that a written transfer request could be made.

f. **Checks you Request from the Credit Union.** If you request any check be issued by the Credit Union by telephone or pursuant to any means we make available, then all such checks are payable to the first named owner of the account, record owner, trustee, custodian, or as otherwise indicated on your membership application card with us and will be mailed to your address of record. Exception include: a check request made in person (over the counter) may be made to a third party subject to the Credit Union's Rate and Fee Schedule.

g. **Temporary Holds.** To facilitate certain electronic transactions we may place temporary holds on funds in your accounts. These holds may be for periods of 36-hours or more; and are generally imposed by the transaction networks that process your payment requests. The Credit Union can neither control the parties with whom you do business nor regulate the processing of transactions through the commercial networks used to facilitate your transactions; Therefore, it is your obligation to insure that sufficient funds are on deposit at all times to cover the transactions you make – including the amount that may be subject to these holds. Pursuant to the processing networks rules a merchant (hotel, car rental company, retailer, etc.) may obtain authorization for up to 3 times the total estimated amount of your actual hotel stay, car rental or purchase. This is deemed to be an "authorized amount" by you and the authorized amount will not be available via your account for 36 hours or more after your bill is finally settled with such merchant(s), which can cause an insufficient funds situation in your account(s). Even if your bill is satisfied with another form of payment, the merchant/retailer may continue to hold the funds as originally authorized by you for these time periods. In order to avoid problems associated with these holds and authorizations, **we recommend you not use your debit/check card when checking in at hotels or renting cars (which are the primary source of such holds/authorizations).** Note: Using your debit card to settle your bill at departure should not subject you to these risks.

h. **Restrictions Required by Applicable Laws.** We will block, limit or otherwise restrict certain accounts or transactions when we believe in good faith that certain laws including but not limited to the Bank Secrecy Act, USA Patriot Act and Office of Foreign Assets Control Act require us to do so.

8. **Collection Items:** We do not normally accept items — such as certain securities and checks payable in foreign currencies or at foreign locations — on a collection basis only. We route and process collection items separately from your other deposits. We normally credit your account for collection items only after we receive payment for them. But if we do credit your account and then do not receive payment, we may debit your account for the amount of the item. We may also receive items from other financial institutions on a collection only basis. Upon presentation of a collection item we will follow the presenting institution's instructions and pay the item if funds are available in your account or otherwise pursuant to your agreements with us.

We charge fees for processing collection items (sending and receiving) as set forth in the Schedule. The financial institution on which the collection item is drawn may also charge you fees. If the other financial institution requires payment of a fee before that institution will process the collection item, we may pay the fee and charge your account. Otherwise, the other financial institution may subtract its fee from the amount of the payment we receive. Any fees may apply even if the collection item is returned unpaid.

9. **Account Rates and Fees.** Our payment of dividends on your account(s) is subject to the account rates, fees, compounding and crediting policies and balance requirements set forth in this Agreement. Fees applicable to all accounts and account services are set forth in the Schedule. We may transfer from any of your account(s) any charges or costs in connection with the operation and maintenance of account(s) as stated in this Agreement or the Schedule. You agree that we may change the Schedule at any time upon proper notice as required by law.

10. **Authorized Signature.** We are authorized to recognize any signature on an Membership Application or document, but will not be liable for refusing any order or item if we believe in good faith that the signature on any order or item is not genuine. We are authorized to honor any Transactions initiated by a third person if you provide your access device or other information to a third person. Also, if you authorize the use of a facsimile signature, we shall not be liable for honoring any instrument that appears to bear your facsimile signature, even if made by an unauthorized person.

11. **Account Access.** You may make deposits, withdrawals, transfers and other authorized transactions from your account(s) in any manner specifically permitted by us, subject to the limitations and restrictions set forth in this Agreement or as otherwise provided for by applicable law.

a. **Authorized User(s).** You should exercise caution in providing authority, information, documentation or access devices to others. All withdrawals, transfers and transactions made by any person to whom you have at any time provided authority or the means to access your accounts or other services shall be deemed authorized by you, and the Credit Union will not have any responsibility or liability whatsoever for such withdrawals, transfers or other transactions. You and the person authorized (as defined herein) shall be jointly and severally responsible to the Credit Union for all such access or use of your accounts and services with us.

b. **Access to Account Information.** You agree that all owners, borrowers and authorized users, may have access to all of the information you provide to us, or which we gather and maintain regarding our relationships with you. This includes, but is not limited to information regarding transactions, account history, your loan relationships with us, and other information relating to or arising with regard to any of your accounts, loans or other services with us. You acknowledge and agree that any owner of a joint account or service, or any co-borrower may provide authority to others, or may make transactions involving others, who will have access to all such information as to all owners and/or co-borrowers. Further, you understand that we utilize a consolidated statement for your accounts, account services, loans and all other services with us. You understand and agree that we are authorized to send jointly and/or provide to any individual owner or borrower a statement that includes all of the information on the consolidated statement even though all parties receiving the statement may not be owners or borrowers as to all of the accounts or services addressed in the statement.

c. **Sharing Information with Co-Borrowers, Co-Signers, Owners of Collateral Pledged and Other Lien Holders.** You hereby consent and agree that we may share any information regarding your obligations with us or collateral pledged to secure any obligations you owe to the Credit Union with the persons listed in this subsection.

12. **Powers of Attorney.** The Credit Union may allow a third person acting as your attorney-in-fact to make transactions regarding your account(s), pursuant to a Power of Attorney, but has no obligation to do so. You agree that we have no obligation to verify the scope, authenticity, and validity of any Power of Attorney presented to us. If we accept the Power of Attorney, the Credit Union has no duty to inquire as to the use or purpose of any transaction(s) by your attorney-in-fact, and may restrict or refuse account access, withdrawals and transfers. Further, you agree to reimburse the Credit Union for all costs and expenses, including attorneys' fees, we incur and agree to indemnify us for any loss or other expense we incur from our acceptance of your Power of Attorney.

13. **Overdraft and Overdraft Protection Plan:** An overdraft occurs when you make or authorize any transaction that exceeds the balance in the account you access by check, electronically, or otherwise or if we impose a fee that exceeds the balance in your account(s) ("NSF Transaction"). Unless you have an approved overdraft protection agreement with us, you agree not to cause any NSF Transaction on any of your accounts with us. The Credit Union, in its sole discretion, may pay any NSF Transaction via a courtesy overdraft program or otherwise on a case-by-case basis, but has no obligation to do so, or to continue to do so. We may impose a fee as set forth in the Schedule for any NSF Transaction, whether paid or denied. You agree to pay to us promptly the amount of the NSF Transaction as applicable together with the fee pursuant to the Credit Union's policies. The Credit Union has no obligation to notify you of any NSF Transaction or charge that creates an insufficient funds balance in your account(s).

I agree that the Credit Union may utilize any funds in any of my accounts to pay any overdrafts as defined herein or to pay any other debts that I owe as a result of any authorized acts. Authorized acts include, but are in no way limited to any transaction on my accounts, payments on my loans and other obligations whether pre-authorized or otherwise, any default or transaction that exceeds my authorized credit limits. Funds may be applied from any account in which I have a beneficial interest, and may include funds regardless of the source including but not limited to deposits of funds representing the payment of Social Security, Veterans benefits, or any other funds that may be subject to limitations under federal or state laws. Any application of funds hereunder shall be deemed a voluntary transfer that you have authorized.

13a. **Overdraft Privilege**

An insufficient balance can result from several events, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (3) the return of unpaid items deposited by you; (4) credit union service charges; or (5) the deposit of items which, according to the credit union's Funds Availability Policy, are treated as not yet available or finally paid. We are not obligated to pay any item presented for payment if your account does not contain sufficient funds.

As long as you maintain your account in "good standing," we may approve your overdraft items within your current available Overdraft Privilege limit as a non-contractual courtesy. For overdraft privilege consideration, your account is in "good standing" if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all credit union fees and charges); (2) avoid excessive overdrafts suggesting the use of Overdraft Privilege as a continuing line of credit; and (3) there are no legal orders, levies or liens against your account.

In the normal course of business, we generally pay electronic transactions first and then checks low to high amount, per the credit union's policy. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order of item payment may create multiple overdraft items during a single banking day for which you will be charged our Returned/Insufficient Funds/Courtesy Pay Fee of \$25 for each overdraft item paid.

You may opt out of the overdraft privilege program at any time, but you are responsible for any overdraft balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft **plus** the credit union's Returned/Insufficient Funds/Courtesy Pay Fee of \$25 per item will be deducted from the total overdraft limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft items if your account is not in good standing as defined above, or if based upon our review of your account management, we determine that you have too many overdrafts or are using Overdraft Privilege as a regular line of credit. You will be charged a Returned/Insufficient Funds/Courtesy Pay Fee of \$25 for each item returned.

You will be notified by mail of any non-sufficient funds items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft including

our Returned/Insufficient Funds/Courtesy Pay Fee of \$25 that you owe us shall be due and payable upon demand, but if no demand is made, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the membership application, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts inclusive of fees.

Overdraft Privilege should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconcile your check book regularly, and manage your finances responsibly. If you would like to have this service removed from your account, please call (828) 252-6458 or contact any of our branch locations.

Please note that your Overdraft Privilege limit will not be included in your balance provided by a teller, at the ATM, through TCCU Online Banking Internet Banking or Telco Teller Telephone Banking. Additionally included with proper "Opt In" documentation from a member, we may authorize and cover transactions from an ATM and one-time use point-of-sale terminal transactions. The limit will not be included in the balance provided during an inquiry.

LIMITATIONS: Overdraft Privilege is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use. Telco Community Credit Union reserves the right to limit participation to one account per household and to discontinue this service without prior notice.

14. **Postdated and Stale Dated Drafts.** We may pay any draft without regard to its date unless you notify us in writing of a postdating. The notice must be given to us in time so that we can notify our employees and reasonably act upon the notice and must accurately describe the draft, including the exact number, date and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the draft. We are not responsible if you give us an incorrect or incomplete description, or untimely notice. You may make an oral notice which lapses in fourteen (14) calendar days unless confirmed in writing. 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, which is presented more than six (6) months past its date; however, we have no obligation or liability to you or any other party to the instrument or in the chain of the collection process if we do so.**

15. **Stop Payment Orders.** If you don't want us to pay a specific written instrument such as a personal check, you can ask us to place a "Stop Payment Order" ("SPO") on the instrument. You can notify us by mail, telephone, electronically, or in person. Any such instruction must be given to a teller, member service representative or branch manager of the Credit Union. Your SPO will take effect when we record it on your account. A SPO will not be valid and binding on us unless your SPO includes your account number, the number and date of the written instrument, the name(s) of the payee(s), and the exact amount of the instrument. If this is a multiple party account, we will accept a SPO from any owner regardless of who signed the instrument or otherwise authorized the Transaction. We will charge you a service charge for any SPO as set forth in the Schedule, which sum may be transferred by us from any owner's account(s) or paid directly to the Credit Union. If you give an oral SPO that is not confirmed in writing by you or us within fourteen (14) days, your SPO will expire and the instrument may thereafter be paid by us.

If you provide written confirmation, your SPO will be effective for a period of six (6) months. Further, you agree that the Credit Union, in its sole discretion, may confirm any SPO in writing by sending a notice to the address shown in our records, but has no obligation to do so. Such written confirmation by us will also be effective for a period of six (6) months. To extend the SPO for an additional six (6) months, you must deliver to us an additional written request that provides all of the information required for an initial SPO as described above in this paragraph.

The Credit Union will not be responsible for any loss as a result of honoring a check: (1) more than fourteen (14) days after receipt of your oral order to stop payment; (2) more than six (6) months after your written order to stop payment, our written confirmation, or more than six (6) months after a written extension as provided herein; (3) through inadvertence, oversight or accident, we honor any postdated check; or (4) if you fail to provide us with complete or accurate information. We have no obligation to accept any order to stop payment on any certified check, cashier's check, teller's check or other instrument guaranteed by us. You will be responsible to the Credit Union if any claim or demand is made against us as a result of our acting in accordance with your stop payment order. This means that you are required to reimburse us for any loss or damages and reasonable costs, expenses or attorneys' fees that we incur in defending the Credit Union against any claims or demands made against us as a result of following your stop payment order.

You agree that any stop payment order received when you do not have sufficient funds on deposit in your account to cover the item on which you are requesting us to stop payment shall be subject to a service charge for return of an insufficient funds item rather than the service charge for a stop payment order. If available, any stop payment order we receive by electronic mail or by similar means shall be treated as an oral order.

16. **Legal Process and Other Adverse Claims.** Should we receive any legal process, including any summons, order, injunction, execution, distraint, levy, or lien, (hereafter called "Process"), or other adverse claim which in the Credit Union's opinion affects your account(s), we may, at our option and without liability, refuse to honor orders to pay or withdraw sums from the account(s) and either hold the balance in the subject account(s) until the Process or adverse claim is disposed of to the Credit Union's satisfaction, or pay the balance over to the source of the Process. We may also refuse to allow a withdrawal if there is a dispute between owners about the account or if the account secures any obligations owed to the Credit Union. Any Process or adverse claim is subordinate to our lien and security interest in all funds in your account(s). We may also charge you a fee for such matters as set forth in the Schedule.

17. **Statements.** If the Credit Union provides a periodic statement for your account(s), you will receive a periodic statement from us, or notice of the availability of your statement describing all activity on your account(s) during the statement period as required by law. The periodic statement will list all account and/or loan

information as described in this Agreement. If you have a multiple party account we are only required to provide one periodic statement to any of the account owners identified on the Membership Application. If provided electronically, statements will be (1) e-mailed to you as an attachment; or (2) you will be sent a notice via e-mail that will direct you to a site we maintain or cause to be maintained where you may access, review, print and otherwise copy / download your periodic statements using procedures that we authorize. E-mails from us will be sent to the e-mail address provided by any owner.

For checking accounts, you understand that when paid, your original check (or any substitute check) becomes property of the Credit Union and may not be returned to you. We have no obligation to retain the originals of any checks or other documentation. You agree to keep a copy of your original check in order to verify its validity. If you request us to provide you with an original check or sufficient copy, you agree that we may provide an electronic image of the original check or sufficient copy if you have agreed to receive account information or statements electronically. Further, the Credit Union may charge you a fee as set forth in the Schedule for each requested item and/or for research as applicable.

- a. Your Duty of Examination: You understand and agree that periodic statements are made available to you on the date mailed by us or our agent. You acknowledge and agree that checks and other instruments are also made available to you for review on the date the periodic statement is mailed, even though they do not accompany the statement. **You further agree that it is your duty and obligation to carefully and promptly review each periodic statement to verify that each transaction is authorized and accurate. We will have no responsibility or liability whatsoever for any forged, altered, unauthorized, unsigned, improperly endorsed, improperly encoded or inaccurate transaction or item if: (1) you do not notify us in writing within thirty (30) days of the mailing date of the earliest periodic statement containing information about or indicating any forgery, alteration, unauthorized signature or transaction, missing signature, improper or missing endorsement, encoding error or other inaccuracy; or (2) any checks or instruments are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature.**
 - b. Your Duty to Notify Us: You agree that the information in each statement will be considered correct for all purposes and we will have no liability whatsoever unless you notify us in writing within the time described in this section. If you do not receive a periodic statement, you agree to notify us in writing within fourteen (14) days of the date that the statement is usually sent by us. If you do not so notify us, you will be deemed to have received the statement for all purposes.
 - c. Fiduciary Accounts: Statements will be provided to the fiduciary upon any trust, custodial or other fiduciary or representative account; and the requirements of this paragraph will be binding on all parties in interest with regard to such accounts pursuant to such delivery.
18. **Change of Name or Address.** You will promptly notify us of any change of address or your name, including your e-mail or other electronic address by writing us at the address set forth in the Rate and Fee Schedule as applicable or faxing including signature or via the TCCU ONLINE BANKING messaging system using the Credit Union's secure web site (the portion of the site you may access after entry of your user name, password, and multi-factor authentication). In the absence of such notice, any mail, disclosure or notice to you at any: address, forwarding address provided to us by the U.S. Postal Office, or e-mail address shown by our records or any communication received from you will be deemed properly addressed; and unless otherwise provided by applicable law, constitute effective delivery of any item we may be required to provide, regardless of actual receipt by you. If we receive notice that address you provide to us is not or is no longer correct, or has changed without notice to us, and we attempt to determine your new name or address; then the credit union may, in its discretion: (1) charge a fee as set forth in the schedule to determine your current address; and/or (2) discontinue sending any statements, notices or other items to you until verifiable information is provided to correct any deficiency under this provision.
 19. **Inactive/Dormant Accounts.** If your account falls below any applicable minimum balance or you have not made any Transactions within the period of time specified in the Schedule, we may classify your account(s) as inactive or dormant. Although having no obligation to do so, we reserve the right to not classify a particular account as dormant if any owner thereof has other active accounts or services with us. Unless specifically prohibited by applicable law, we may charge a service fee set forth on the Rate and Fee Schedule for processing your dormant account. You authorize us to transfer funds from another account of yours to cover any applicable service fees. Unless prohibited by applicable law, we reserve the right to transfer your dormant account funds to a general Credit Union account and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with applicable state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.
 20. **Termination of Account(s) and Service(s).** We, in our sole discretion, may terminate, limit or restrict, or change the terms, as we in our sole discretion deem appropriate, any of your account(s) or service(s), including but not limited to loan services, or place a freeze on any sums on deposit with us at any time without notice or require you to close your account and apply for a new account if: (1) there is a request to change the owners or authorized users; (2) there is a fraud/forgery or unauthorized use committed or reported; (3) there is a dispute as to ownership of any account or sum on deposit; (4) there are any share drafts that are lost or stolen; (5) there are returned unpaid items-Transactions not covered by an overdraft plan agreement with us; (6) there is any misrepresentation regarding any account(s) or service(s); (7) the Credit Union incurs any loss or believes it may incur any loss relating to any loan(s), account(s) or service(s) you have with us; (8) if we believe you have been negligent in protecting any access devices or codes; (9) we deem it necessary to protect the Credit Union from any risks or losses, or otherwise deem it to be in the best interests of the Credit Union, our members or our employees; (10) you breach any promise under this Agreement; (11) if bankruptcy or any other insolvency proceeding is filed by or against you, or if we otherwise deem you to be insolvent or incapable of meeting your obligations to us; or (12) you refuse or fail to cooperate as provided in this Agreement; or (13) you violate any Credit Union policy, procedure or standard or any law, regulation, or rule. We, on our own accord, may place a stop payment on any share draft, item or Transaction if we are notified or otherwise reasonably believe that any of the foregoing circumstances have

occurred. If you do not accept any deposit or part of a deposit that we attempt to return after termination, then such deposit will no longer earn dividends. You may terminate a single party account at any time by notifying us in writing. We have the right to require the written consent of all parties to a multiple party account for termination. Club accounts may be terminated if deposits are not made within certain time periods in successive periods. We are not responsible for any draft, withdrawal, item or Transaction after your account is terminated. However, if we pay any item after termination, you agree to reimburse us upon demand.

Residence Outside the U.S., Its Possessions or Territories. We may require that all checking accounts and related services be closed or deactivated if you move your residence to a country or place outside the U.S., its possessions or territories. You will have a period of thirty (30) days from the date you move to close or deactivate your checking account(s). Thereafter, the Credit Union may close your checking account(s) and related services as set forth herein.

Duty to Cooperate. You have a duty to cooperate with us, and any law enforcement or government agent or agency with regard to any claim of fraud, forgery, unauthorized access or any other adverse claim(s).

Par Value Requirement. If your membership account balance falls below the required par value for membership, then your membership may be terminated by us pursuant to the Credit Union's Bylaws. Upon termination, the Credit Union may charge a fee as set forth in the Schedule.

21. **Membership Termination.** You may terminate your membership by giving us notice and complying with the policies and procedures of the Credit Union. Termination will not release you from any fees or obligations you owe us, those incurred in the process of closing your accounts or services or your liability on outstanding items or Transactions. You further agree that we can terminate your membership for cause based on any of the circumstances defined in this Agreement; without notice or further action. Upon termination, no Transaction(s) will be allowed.
 22. **Death of Account Owner.** We may continue to honor all Transactions on your account(s) until we receive actual notice of your death. After receiving actual notice, we may honor all Transactions you authorized for a period of ten (10) days, unless we are ordered not to do so by a person claiming an interest in your account(s). We can require any person claiming the funds in your account(s) to indemnify us for any losses we may incur as a result of honoring their order. Upon the death of an individual account holder, all funds on deposit shall be paid according to the express instructions in the Membership Application/Beneficiary Designation Form (i.e., Payable on Death Beneficiary). If no express beneficiary(ies) is provided, survives the death of the last owner, or can be located via the information provided to the Credit Union by the owners, then all funds on deposit will be paid to the estate of the account holder. If there is no estate, then the Credit Union may, but has no obligation to do so, pay the funds to any heir, who will be solely responsible for any further distribution of said funds. The Credit Union may require documentation satisfactory to it be provided regarding any right, claim or fact regarding any matter related or arising from the payment of funds hereunder. The Credit Union will have no further obligation or responsibility and you agree that we shall have no liability to you, your estate or any heir, successor or assign relating to the distribution of such funds pursuant to this Agreement. The payment of any funds is subject to our lien or other security interest; and all debts you owe to the Credit Union will be paid from the funds in your accounts before any payment is made. In case of the death of a joint account owner, the deposits will be subject to additional provisions of this Agreement.
 23. **Statutory and Consensual Liens on Shares.** By signing a Membership Application or other agreement conveying a pledge or security interest in shares, or your use of any accounts or services you grant us and we impress a lien on any and all funds ("shares") in all joint and individual share accounts, together with all dividends, regardless of the source of the shares or any owner's contributions. This lien secures any account owner's joint and individual obligations to us now or in the future, whether direct, indirect, contingent or secondary. Payment of any sums to a joint owner, beneficiary or other party will be subject to payment of all outstanding obligations owed to us.
- You agree that this lien is impressed as of the first date that any applicable account is opened with us. This lien secures all debts you owe us pursuant to any loan agreements; under this Agreement; arising from any insufficient funds item; fees; costs; expenses; or otherwise. You authorize us to apply shares to any obligations owed to us if you default or fail to pay or satisfy any obligation to us without any notice to any account owner or other party. This right is immediate and applies to all accounts which means there will be no limitation or delay with regard to any stated maturity date as to any certificate or other applicable shares.
24. **Right of Set Off.** You agree that the Credit Union at all times retains the common law equitable right of set off against shares with regard to any debt or obligation owed to us individually or otherwise, which right may be exercised by us without legal process or notice to any account owner.
 25. **Status Quo – Collateral Preservation.** You specifically agree that all shares on deposit constitute collateral for all obligations owed to the Credit Union. You agree that the Credit Union has the right to preserve this collateral, and may use appropriate administrative procedures (including but not limited to placing a temporary hold or "freeze" on such funds) to safeguard such funds if the Credit Union at any time has reason to believe such collateral may be impaired or at risk due to any default, bankruptcy, breach of any agreement or promise, or as otherwise provided for by our agreements or applicable law, without notice to any owner. In the case of any bankruptcy proceeding, the Credit Union has a right to preserve such collateral as set forth herein as cash collateral; and is not required to surrender or turnover such collateral absent the owner's filing any appropriate motions and the entry of an order either providing for adequate protection of the Credit Union's rights in such collateral, or modifying or terminating the automatic stay as to such collateral. You further agree that the Credit Union's exercise of this right to safeguard or "freeze" funds on deposit shall not constitute a violation of the automatic stay afforded by the Bankruptcy Code.
 26. **General Limitation on Credit Union Liability.** If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if, through no fault of ours, your account does not contain enough money to make the transaction; circumstances beyond our control prevent the transaction;

your loss is caused by your negligence or another financial institution; or the money in your account is subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. Our actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, federal reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area served by us. You grant us the right, in making payments of deposited funds, to rely exclusively on the form 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 applicable written form. You agree that the person(s) establishing any account with us are solely responsible for the structure and information provided for the account (e.g., owner(s) name(s), Social Security or other Tax ID Number, trustee(s), custodian(s), etc.); and we provide no advice and make no representations regarding the structure of any account(s) or other services. The Credit Union will not have any responsibility or liability to you or others relating to the dishonor or other return of any check, draft, ACH transaction or other order occurring as a result of our exercising our lien rights or freezing any accounts in order to protect or preserve such rights; insufficiency of funds; or otherwise.

27. **Mandatory Arbitration of Disputes and Claims.** Arbitration is a method of deciding disputes outside the court system. The parties agree and understand that they choose arbitration instead of litigation to resolve all claims and disputes not specifically excluded. This provision governs when and how any disputes you and we may have will be decided. Unless specifically prohibited by applicable law all disputes, claims, damages, choses in action, claims for injunctive relief or controversies arising from or relating in any way to the agreements, relationships, accounts, loans, or security agreements between you and us; the relationships which result or arise as a result of this Agreement; any rights, privileges or services you receive from us now or in the future; any claims or disputes arising in or ancillary to any bankruptcy or other insolvency proceeding; or the validity of this clause (together referred to collectively as Agreement), shall be resolved by binding arbitration by a single arbitrator chosen with the mutual consent of the parties. The arbitrator must be an attorney with more than ten (10) years experience or a retired judge. If for any reason the parties do not consent to an arbitrator within thirty (30) days from the date that notice of a claim or intent to arbitrate is provided to the other party, then an arbitrator will be selected pursuant to the Rules of the American Arbitration Association ("AAA"). This arbitration Agreement is made pursuant to a transaction in Interstate Commerce, and shall be governed by the Federal Arbitration Act ("FAA") at 9 USC § 1, et seq., as amended from time to time. It is understood and agreed that your Credit Plan Agreement(s), your Accounts, all transactions on your Accounts, and any dispute defined herein shall involve Interstate Commerce. If any dispute between us does not involve Interstate Commerce, such dispute shall be governed by the Arbitration Act for the State set forth in this Membership Agreement., as amended from time to time, in which case all references to the FAA herein shall be to said State Act. **If the State has no Arbitration Act, then the parties will be governed by the Rules of the American Arbitration Act in any matter not involving interstate commerce** The parties agree and understand that the arbitrator shall have all power provided by the law and this Agreement to make and enter findings of fact and determination of judgment based on the parties' Agreements and applicable law, including but not limited to the rights of possession, off-set, property rights, money damages, declaratory relief, and injunctive relief. No arbitrator shall have the jurisdiction or authority to add to, take from, nullify or modify any of the terms of the Agreement. The arbitrator shall be bound by the facts and evidence submitted to him. Arbitration will be subject to the rules of procedure and evidence consistent with the Rules of the American Arbitration Association, and the Arbitrator will not apply federal or state rules. The decision of the arbitrator shall be final and binding and may be enforced in accordance with the terms of either the Federal or applicable State Law, except for any specific appeal right regarding a judgment under the FAA or a judgment for more than \$100,000. For these judgments, any party may appeal to a three-arbitrator panel appointed by and under the rules of the AAA. The decision of the panel will be by majority vote and will be final and binding except for any specific appeal right under the FAA. All provisions of this Arbitration Agreement will apply to the panel. Judgment upon the award rendered may be entered in any court having jurisdiction.

Exception to Mandatory-Binding Arbitration for Small Claims: The parties to this agreement may bring any individual claim or action hereunder in the small claims court in the State that has jurisdiction pursuant to the provisions set forth in this Agreement as long as the amount of all claims or other actions does not exceed the lesser sum of \$7,500.00 inclusive of costs and legal fees or the maximum jurisdiction the venue of a State Court providing for the resolution of small claims. No representative or class claims may be brought or asserted pursuant to this exception.

WITH THE EXCEPTION FOR THE PARTIES AGREE AND UNDERSTAND THAT ALL DISPUTES (INCLUDING ALL LEGAL AND EQUITABLE RIGHTS AND REMEDIES) ARISING UNDER CASE LAW, STATUTORY LAW, AND ALL OTHER LAWS INCLUDING, BUT NOT LIMITED TO, ALL CONTRACT, TORT, REGULATORY, AND PROPERTY DISPUTES WILL BE SUBJECT TO BINDING ARBITRATION IN ACCORD WITH THIS AGREEMENT. Notwithstanding anything hereunto the contrary, the Credit Union retains an option to use judicial or non-judicial relief to enforce a security agreement relating to any collateral pledged to secure the Agreements between the parties, to enforce all monetary obligations by you to the Credit Union so long as there is no dispute that is subject to mandatory arbitration, or to foreclose on any collateral securing your obligations to us by way of replevin, claim and delivery, or otherwise. The initiation and maintenance of an action for judicial relief in a court [on the foregoing terms] shall not constitute a waiver of the right of any party to compel arbitration regarding any other dispute or remedy subject to arbitration in this Agreement, including the filing of a counterclaim in any action brought by the Credit Union pursuant to this provision.

Any arbitration proceeding will take place in the federal judicial circuit where you live. If you cannot afford to pay the fees charged by the Arbitrator or any panel for an appeal as provided herein, we will consider any reasonable written request by you for us to pay the fees of the Arbitrator or Arbitration Panel. We will pay any fees or costs specifically required by applicable law. However, each party must bear the expense of that party's own attorneys, experts, and witnesses, regardless of who wins the arbitration, except to the extent that applicable law specifically requires otherwise. The rules of the AAA will be applied to any arbitration between the parties, except in the event of any inconsistency between this Agreement and the rules of the AAA, in which case this Agreement will govern. Any costs we pay in order for you to bring a proceeding hereunder are subject to being

awarded to us upon a ruling or an award by the arbitrator that is favorable to the Credit Union. The AAA and other legal assistance services may be able to refer you to legal assistance from government or non-profit organizations that provide assistance to those who can show a financial need for such assistance.

28. **Telephone Requests.** You agree that funds in any account(s) with us can be transferred, upon the telephone request of any signer on the account, to another account with us or to any other financial institution. We shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, we reserve the right to refuse to execute any telephone request or order.
29. **Recording Conversations.** You understand and agree that for our mutual protection we may record any of our telephone conversations.
30. **Information About Your Accounts and About You.** Generally, we will not disclose information to third parties about your account(s) or about you without your permission. However, we may disclose information; (1) when it is necessary to complete transfers or Transactions; or to send notice of dishonor or nonpayment; (2) to our accountants; (3) to state or federal government regulators; (4) to exchange, in the regular course of business, credit information with other banks, financial institutions, or commercial enterprises, directly or through credit reporting agencies; (5) to advise third parties of accounts closed for misuse; (6) to furnish information to appropriate law enforcement authorities when we reasonably believe we have been the victim of a crime; (7) to comply with government agency or court orders, subpoenas or other legal process or to furnish any information required by statute; (8) to furnish information about the existence of an account to any judgment creditor of yours who has made a written request for such information; or (9) when we are attempting to collect an obligation owed to us. In addition, you understand and agree that we may, from time to time, request and review consumer credit reports and other information about you prepared by credit reporting agencies or others. You will be responsible to pay all legal, copying and other expenses incurred by us or payable pursuant to the Schedule regarding any subpoena or other legal process.

You may apply for additional financial services, or seek to refinance your loan and other obligations from time to time with other lenders or financial service providers. You may also seek to sell, trade, transfer or exchange collateral pledged to secure your obligations to us. You authorize and specifically grant us permission to provide orally, electronically or in writing "payoff" and other information including the amounts you owe on all obligations to us, if we receive a request which we in good faith believe to be related to any such application, refinancing, sale, trade, transfer or exchange. To expedite such transactions for your benefit, you agree that we can rely on the representations made to us by a third party, and our duties to you hereunder do not require us to investigate or document a request for such information.

31. **Costs, Expenses and Attorneys' Fees.** All owners of account(s) or service(s) with us agree, jointly and severally, to pay us for all costs and expenses, including attorneys' fees we may incur: (1) If it is necessary for us to bring any legal or other action to collect any sum you owe the Credit Union; (2) If we incur any costs or expense as a result of any order or instruction received from any owner or any owner's agent under this Agreement, any adverse claim, legal process; your failure to comply with any obligation in this Membership Agreement or otherwise; (3) If we incur any expense as a result of any dispute, adverse or inconsistent claims; (4) If we bring any action contemplated in this Agreement; (5) If we successfully defend any claim against the Credit Union brought by any owner, agent, personal representative, executor, heir or other party in interest brought via any formal or informal process (including but not limited to arbitration or mediation) involving your accounts or services with us; or (6) If we deem it necessary to seek the advice or opinion of legal counsel or other professionals regarding the bona fides or legality of any transaction(s) to/from your accounts or involving any services with us, or any request for information or documentation regarding any of your accounts and/or services with us. If you are responsible to pay us any costs of collection or legal expenses incurred in collecting any amount you owe; in enforcing or protecting our rights under this Agreement or otherwise; or as provided in this subsection, including but not limited to costs of repossession, repair, appraisal, and all other costs or expenses, you agree to pay us the actual amount of such costs and expenses together with reasonable attorneys' fees. In the case of any collection action you agree that 20% of the unpaid balance or such greater sum as may be appropriate based on the circumstances shall be a reasonable amount, unless applicable law specifically provides otherwise. Further, you agree to pay the Credit Union an additional sum for any costs, legal expenses or attorneys' fees incurred in any appellate, bankruptcy or post-judgment proceedings, except as limited or prohibited by applicable law. Any costs, expenses or fees hereunder will be paid from any of your account(s) with the Credit Union before payment to any owner or other party. If the amounts in your account(s) are not sufficient, then the owner(s) of the affected account(s) or parties to any applicable services will immediately pay any difference.
32. **Right to Refuse Instructions/Orders.** If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require a bond or other protections. Without in any way limiting our rights under this provision we specifically reserve the right to refuse to accept or conduct any transaction or business on behalf of any person or entity that claims trademark, copyright or other such status upon a personal name; but we have the right to do so without any limitation or liability in using any such name in the ordinary course of business; in providing any services we may offer; or in using such name in any other manner authorized by our agreements or applicable laws.
33. **Miscellaneous.** In this Agreement, except as otherwise indicated, the singular includes the plural and the masculine includes the feminine and the neuter. Further, this Agreement or any claim or dispute arising hereunder shall be construed in accordance with and governed by the Laws of the State of **North Carolina** which law together with specifically applicable federal laws govern this Agreement unless specifically applicable law expressly requires otherwise. Our web site and the electronic services that we provide (excluding linked sites) are controlled by the Credit Union from its principal offices within the State of **North Carolina**. While you may choose to access our web site and electronic services from other locations, we make no representation that any information, materials, or functions included in our web site or via our electronic service are appropriate or authorized for use in other jurisdictions. Your access from other locations is made on your own initiative; and you are solely responsible for compliance with any applicable local laws and regulations. The terms and conditions of any account or service, including the method of

determining dividends, may be changed by the Credit Union upon written notice, or as required by applicable law. Section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any provision of this Agreement. If any law or judicial ruling renders any term or condition of this Agreement unenforceable, the remaining terms and conditions shall remain in full force and effect. We reserve the right to waive enforcement of any of the terms set forth in this Agreement regarding any Transaction or series of Transactions. Any such waiver will not affect our right to enforce any of our rights with respect to any owner, user or other applicable person/party; or to enforce any of our rights with respect to other Transactions. Any such waiver shall not modify the terms and conditions of this Agreement. Transactions involving a loan will not alter the terms or conditions of the loan agreement(s), but will remain subject to the terms and conditions of this Agreement where not inconsistent with the loan agreement. In the case of any conflict, the loan agreement will govern.

If there is a dispute between owners or any other parties claiming an interest in any account(s) or transaction(s); if there is any dispute regarding ownership, entitlement, payment, an owner's intent or instructions, or otherwise with regard to any account or any transaction; or if we receive inconsistent instructions or claims, we can in our sole discretion: (1) suspend or terminate the account(s) and require a court order; (2) require an agreement in writing that we deem sufficient; (3) file an interpleader or similar action and pay any sums in dispute into a court or other appropriate entity; or (4) take such other action as we deem appropriate

34. **Amendments and Changes.** Changes to any account or account service requested by any member or account owner can only be made with the express consent of the Credit Union. If a change to a multiple account or service is requested, we may require that all multiple owners indicate their consent by signing our document evidencing the change. As set forth herein, the Credit Union, in its sole discretion, may change any term or condition of this Agreement, including the method for determining dividends, at any time without notice except as expressly required by applicable law, and any change in the Agreement shall be effective at the earliest time allowed by applicable law.
35. **Member Organization or Business Accounts.** Accounts held in the name of a member, organization, or association for business purposes are subject to the same terms set forth in the Agreement and the following additional rules. The account owners agree to inform us of the persons authorized to transact business on behalf of the business or organization in a resolution acceptable to us. The parties identified in the resolution will be authorized to contract and otherwise act on behalf of the entity identified. We may rely on the resolution, as applicable, and corresponding Membership Application until such time as we are informed of changes in a written document signed by any owner, officer or director of the organization that is actually delivered and received by us. We may require that third party checks payable to an organization not be cashed, and be deposited to a business account. Further, if a resolution or Membership Application identifies the member/owner as an organization of any type; or if the Credit Union determines that any account is used for any business or organizational purpose, such account is deemed to be a "business account" and may be subject to additional fees or other requirements.
36. **Multiple Party Accounts.** Any or all owners can make deposits or withdrawals regardless of contributions. To make withdrawals, an owner must have his or her signature on file with us. If only one owner has signed a signature card, the account may be treated as an individual account. Each owner guarantees the signature of all other owners. We may accept orders, instructions, and requests for future services from any account owner. Any account owner may withdraw funds, stop payment of items, transfer or pledge to us all or any part of the shares in any account, and block, terminate or discontinue or close any transaction or service without the consent of the other owner(s). We have no obligation to notify the other account owner(s) of any pledge or other actions, orders or instructions by any owner. If there is a dispute between owners, if there is any dispute regarding ownership of an account or any deposit to an account by an owner or a party who we in good faith believe has a right to assert a claim or dispute (such as a personal representative of an owner), or if we receive inconsistent instructions, we can suspend or terminate the account(s) and require a court order or require an agreement in writing concerning any Transaction on the account(s). Each owner is jointly and severally liable for all returned items, overdrafts or any other obligations owed to the Credit Union as a result of any Transaction(s) on a multiple party account, regardless of the drawer, user or authorized user who orders or causes said Transaction(s).

We have the right to endorse any drafts, checks, or other orders for the payment of money made out to any of the owners. Once endorsed, we can deposit them in the multiple party account, or we can endorse them for deposit by using a stamp to show a general endorsement for the account. Each owner appoints the others as his or her agent to endorse, deposit, withdraw, cash and conduct business for the account. Further, any owner may make requests for services or make elections relating to any multiple party account; and such requests or elections shall be binding upon all owners. Acting as an agent, any owner or owners can endorse a draft, check, or other payment order made out to any other owner or owners of the account and any primary owner may pledge to us the funds in any account to secure any joint or individual obligation to us. Once endorsed, the money can be taken in cash or deposited into the multiple party account. You agree that any money in this account can be paid to any one or more of the owners. This payment can be made on the orders or instructions of any of the owners, whether or not the other owners are alive at the time of the payment. If we make a payment following these rules, you release us from liability.

Rights of Survivorship: Unless your Membership Application specifically indicates otherwise, you agree that it's your intention to create a joint tenancy with the right of survivorship (a form of ownership) in any multiple party account and if one or more of the multiple party owners dies, his or her interest in the account passes to the remaining owners; unless subject to our right of set-off or a pledge of the funds in the account(s), in which case all sums in the account(s) will belong to us regardless of contributions, up to the amount of the obligation(s) owed. We may not release any funds to a survivor until all required legal documents are delivered to us. Once a multiple party account is opened, one owner cannot remove another from the account. Further, the Credit Union reserves the right to require any changes to the account be made in writing signed by all account owners.

37. **Payable on Death:** Payable on Death ("POD") accounts are governed by your agreements with the Credit Union and applicable state law. A POD account instructs us that the designated account is payable to the

owner(s) during their lifetimes, and upon death of the last account owner, is payable to the beneficiary(ies) designated by your Membership Application. Either owner, during their lifetime, may change any designated beneficiary by written direction to us

Unless state law expressly requires otherwise, accounts payable to more than one beneficiary are jointly owned with rights of survivorship. This means that surviving beneficiaries, if more than one, are entitled to a pro-rata portion of the amounts in the account(s) designated. If the named beneficiary is not living at the time the account(s) become payable, then the estate/heirs of the deceased beneficiary will be paid a pro-rata portion of the amount(s) in the account(s) designated.

POD beneficiary designations do not apply to IRA accounts, but instead, are subject to your IRA Agreement/Certificate. The Credit Union has no obligation to notify any beneficiary of any POD account or the vesting of his or her interest. Further, the Credit Union is also entitled to all additional protections provided by applicable law regarding the payment of sums on deposit in POD accounts. If any beneficiary is not of legal age at the time the account(s) are to be paid to beneficiaries hereunder, then said amounts will be paid to the legal guardian of such beneficiaries. If the minor has no legal guardian, then the funds shall be retained in an account similar to the account from which the funds are payable, or such other account for which the deposit may qualify if no longer entitled to the benefits of the original POD account based on the terms we offer, until such time as the beneficiary reaches legal age. If allowed under applicable laws the member may intend such an account to serve as a form of trust for federal insurance considerations. However, the Credit Union makes no representations regarding such insurance and leaves such matters to the federal agency in question and the member's intentions as applicable.

38. **Uniform Gifts to Minors Act and/or Uniform Transfer to Minor Act ("UGMA/UTMA").** All grantors, custodians and beneficiaries agree to the terms of this paragraph. If you have signed an account as custodian for a beneficiary under an applicable UGMA/UTMA, your rights and duties are governed by that Act. We have no duty to inquire into the use of any funds or purpose of any transaction by the account custodian. Upon the death of the account custodian/trustee where no successor custodian/trustee is appointed pursuant to applicable laws, we may place an administrative freeze on the account until we receive instructions from a person authorized by law to withdraw funds or an appropriate court order. Successor custodians/trustees shall provide any documentation required to evidence compliance with applicable law(s) which meets our satisfaction. It is understood and agreed that a successor custodian/trustee may be the minor's legal guardian. If there is more than one legal guardian, the Credit Union can accept any such guardian as a successor custodian/trustee. Upon acceptance of a successor custodian/trustee, no instruction from any other guardian will be accepted. It is agreed that funds deposited into such an account belong to the beneficiary. When the beneficiary reaches the age of majority under the laws of the minor's state of residence, the funds in any UGMA and /or UTMA may be paid or withdrawn by the beneficiary without notice or further action by us. The state of residence shall be established hereunder by the agreements between us or any statement conveyed to us by the beneficiary. If the beneficiary wishes to retain an account with us, the beneficiary can execute a new Membership Application and Signature Card. Any authority to make transactions will then be governed by the new signature card, and the authority of any custodian(s) will be terminated.

39. **Minors Accounts.** For any account established by or for a minor, we reserve the right to require the minor account to be a multiple party account with an owner who has reached the age of majority under state law who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may require that a minor sign the Membership Application if the minor can sign his or her own name, but may accept the representative signature of the minor's apparent guardian or parent (e.g., "Mary Doe by John Doe, Father"). All parties to such an account acknowledge and agree that the minor's apparent legal guardian may make any and all transactions we allow on behalf of a minor. We may require a minor's signature on the Membership Application before a minor can make an individual withdrawal on any account, but are not required to do so. We may make payments of funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any right to access the account other than is a custodial capacity. We have no duty to inquire of the use or purpose of any transaction by the minor or any account owner. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.
40. **Custodial and Other Fiduciary Accounts.** The Credit Union may open other accounts pursuant to a court order or to facilitate your request for a trust, custodial, probate or other acceptable purposes. We make no representations and give no advice concerning any such accounts and may refuse to open any account or refuse to follow any instruction that may expose us to any expense or liability.

Any individual acting as an agent, guardian, personal representative, trustee, and custodian or in some other fiduciary capacity must be designated to us as such on the Signature Card, as well as any other documentation we may require. We are authorized to follow the directions of any such agent/fiduciary until we receive written notice that the agency is terminated and have had a reasonable time to act upon the notice. Further, you specifically agree that we are not liable for the misapplication of funds by your agent/fiduciary.

41. **Club Accounts.** The Credit Union offers club plan account(s) to help you save for Christmas, vacations or other purposes. At the end of the club account period, you authorize the Credit Union to pay the balance in your account by depositing the balance into any account designated by you, or by other means set forth in the Schedule. If paid electronically, this payment is deemed a pre-authorized transfer. If you withdraw funds during a period, we may require you to withdraw the entire balance and not allow additional deposits until the following club period. Club periods may be changed by the Credit Union from time to time. Since we plan to make a single withdrawal transaction at the end of a club period, we may charge a transaction fee for any additional withdrawal requests as set forth in the Schedule. We presently offer the Club Accounts pursuant to the terms set forth in the Schedule.
42. **Representative Payee Accounts.** A representative payee account is established on behalf of a recipient ("Beneficiary") of benefits from the Social Security Administration ("SSA") or Supplemental Security Income

("SSI") on which an entity or person, as designated by the SSA as representative payee, acts on behalf of the recipient as Authorized Signer. The account is established as representative payee under the name of the Beneficiary as Authorized Signer and the account must show the Beneficiary as the only owner. Neither the representative payee nor a third party can have ownership interest in the account. While the Beneficiary retains ownership interest, the account title must be established to not permit him or her to have direct access to the funds, for example, "(Beneficiary's name) by (representative payee's name), representative payee" or "(representative payee's name), representative payee for (Beneficiary's name)".

The Beneficiary must be eligible for membership and is the Primary Member. The representative payee is an Authorized Signer. The representative payee agrees to be bound by the terms of the Account Agreements and to furnish us, upon request, a copy of the written SSA authorization designating the representative payee and such other documents and authorizations as we may deem necessary or appropriate.

In opening a representative payee account, the Credit Union acts only as a depository for the Beneficiary's SSA or SSI funds, and is under no obligation to act as a fiduciary or to inquire as to the powers or duties of the representative payee. The representative payee agrees that he or she are liable to us for any and all obligations incurred by any actions dealing with the account and agree to indemnify and hold the Credit Union harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney's fees, we may suffer or incur arising out of or related to any action or claim by any party with respect to the authority or actions taken by the representative payee in handling or dealing with the account. Unless expressly stated to the contrary, all of the other terms and conditions of the Membership and Account Agreements apply with equal force to representative payee accounts.

43. **Special Provision.** If the Credit Union makes a provision outside the terms and conditions of this agreement, that provision does not constitute policy nor supersede the terms and conditions of this agreement.

TERMS AND CONSENT APPLICABLE TO ELECTRONIC SIGNATURES, ELECTRONIC CONTRACTS, ELECTRONIC RECORDS, ELECTRONIC MAIL ("E-MAIL") FACSIMILE AND OTHER ELECTRONIC SERVICES AND COMMUNICATIONS.

1. **Introduction.** This document informs you of your rights when receiving legally required disclosures, notices and information ("Disclosures") from the Credit Union. By accepting the terms and conditions of this membership agreement, you acknowledge receipt of this document and consent to the electronic delivery of such Disclosures. All agreements with the Credit Union are subject to the terms and conditions of your Credit Union Membership Agreement.

Electronic Communications. Any Disclosures related to your Request will be provided to you electronically through Telco Community Credit Union 1137 Smokey Park Highway, Candler, NC 28715. However, if you wish to obtain a paper copy of any of the Disclosures, you may write to us at: Telco Community Credit Union at 1137 Smokey Park Highway, Candler, NC 28715 with the details of your request. Paper copies will be provided to you at no charge.

Scope of Consent. You consent to receive Disclosures and to do business electronically. The following information and disclosures will be provided electronically:

- the Agreements and Disclosures for all Services You elect to use; and,
 - all communications (including disclosures and notices) regarding online banking, all future amendments (including to the Agreements), and all notices of changes, suspension, restriction, and termination of e-Banking services.
2. **Hardware and Software Requirements.** To access and retain the Disclosures electronically, you will need to use the following computer software and hardware: Internet Explorer 4.0 or above, and hardware capable of running this software. Use and access to our on-line / electronic banking services requires the use of a browser that supports SSL and Cookies. You are responsible for the set-up and maintenance of your home computer and modem, which supports the minimum 128-bit encryption requirements of our home banking systems.

These are the present minimum requirements that are required to access and use the system, which may change without notice. We make no warranty or representation regarding the access speed that you will have now or in the future, as such is beyond the control of the Credit Union (depending largely on your computer system and method of access – e.g., dial up connection vs. DSL or other connection). Also, these minimum requirements are likely to change as technology, software, and other matters continue to evolve.

By requesting any electronic funds transfers, home banking, other electronic services or transactions, by submitting any application or agreement to us electronically, or by e-mailing us, you represent that you have such equipment and software and that you can download, access, read, review, print and store the electronic records we provide to you.

Performance of Software and Electronic Service and Warranty Disclaimer. In no event will we be liable to you for any consequential, incidental or indirect damages arising out of the use, misuse or inability to use our services, or for any loss of any data, even if we have been informed of the possibility of such damages. **FURTHER, WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, TO YOU REGARDING YOUR EQUIPMENT OR THE SOFTWARE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, including but not limited to any Online Banking services provided to you under this or any other agreement with us.**

We do not and cannot warrant that Online Banking will operate without errors, or that any or all Online Banking Services will be available and operational at all times. Except as specifically provided in this Agreement, or otherwise required by law, you agree that our officers, directors, employees, agents or contractors are not liable for any indirect, incidental, special or consequential damages under or by reason of any services or products provided under this Agreement or by reason of your use of or access to Online Banking, including loss of profits, revenue, data or use by you or any third party, whether in an action in contract or tort or based on a warranty. Further, in no event shall the liability of the Credit Union and its affiliates exceed the amounts paid by you for the services provided to you through Online Banking.

Virus Protection. We are not responsible for any electronic virus or viruses that you may encounter. The Credit Union suggests that you routinely scan your PC and diskettes using a reliable virus protection software product to detect and remove any viruses found. An undetected or unrepaired virus may corrupt and/or destroy your programs, files and even your hardware.

3. **Electronic Signature.** You consent and agree that your use of a key pad, mouse or other device to select an item, button, icon or similar act/action while using any electronic service we offer; or in accessing or making any transactions regarding any agreement, acknowledgment, consent, terms, disclosures or conditions constitutes your signature, acceptance and agreement as if actually signed by you in writing. Further, you agree that no certification authority or other third party verification is necessary to the validity of your electronic signature; and that the lack of such certification or third party verification will not in any way affect the enforceability of your signature or any resulting contract between you and the Credit Union.
4. **Withdrawing Consent.** You understand that you may not withdraw consent as to the disclosures we provided to you at the time you received this membership agreement. You may withdraw your consent to do further business electronically with us at no cost to you. If you decide to withdraw your consent, the legal validity and enforceability of prior electronic Disclosures will not be affected.

Changes to Your Contact Information. You should keep us informed of any change in your electronic or mailing address. You may contact Telco Community Credit Union at: 1137 Smokey Park Highway, Candler, NC 28715 regarding any such changes.

5. **Electronic Records.** To facilitate electronic commerce, to reduce the expense of records storage, and to obtain the benefits of faster access to records, you acknowledge and agree that we may in our discretion store all records electronically; and that we will not retain and have no obligation to retain any original documents for any period of time. This applies to all documentation including but not limited to checks, transaction records, notes, mortgages, deeds of trust and other loan and/or security documentation. You further acknowledge and understand that we will routinely destroy all original documentation. We may store records electronically via imaging, scanning, filming or other technology used in the financial services industry for the storage of documentation via internal processes or third-party processors that we approve for these services. You agree that such storage shall be secure, and further agree that such records shall for all purposes be recognized and admissible in evidence or otherwise to prove the agreements, rights and obligations of the parties pursuant to any such records.
6. **"E-Mail" and Facsimile Communications.** You acknowledge and agree that the Internet is considered inherently insecure. Therefore, you agree that we have no liability to you whatsoever for any loss, claim or damages arising or in any way related to our response(s) to any e-mail or other electronic communication, which we in good faith believe you have submitted to us. We have no duty to investigate the validity or to verify any e-mail or other electronic communication; and may respond to an e-mail at either the address provided with the communication, the e-mail address in your Membership Application and Signature Card, or any other application or written communication actually received by us. Any account owner, co-borrower, or authorized user may change the e-mail address for statements or other information from us at any time. Although having no obligation to do so, we reserve the right to require authentication of e-mails or electronic communications. The decision to require authentication is in the sole discretion of the Credit Union. We will have no obligation, liability or responsibility to you or any other person or company if we do not act upon or follow any instruction to us if a communication cannot be authenticated to our satisfaction. Further, the Credit Union may not immediately receive e-mail communications that you send. Also, we will not take action based on e-mail requests until we actually receive your message and have a reasonable opportunity to act. We reserve the right to require any notices from you be submitted to us in writing, and we may refuse to send certain information through unsecured e-mail communications. If you need to contact the Credit Union immediately regarding an unauthorized transaction, stop payment request, or otherwise, you may call the Credit Union at 828-252-6458.

You expressly consent and agree to us, our agents or any parties we authorize sending and your receiving any communications hereunder by facsimile, email, text, chatbot or other electronic methods including any offers for Credit Union, or Credit Union affiliate services and/or products. Telco Community Credit Union's Text (SMS) Message Terms and Conditions may be reviewed at https://www.telcoccu.org/files/telcoccu/1/file/Disclosures/Text-Messaging-Terms-and-Conditions_09_07_22.pdf and are available upon request.

CONSENT TO ELECTRONIC SIGNATURES. BY COMPLETING AND SUBMITTING YOUR REQUEST, I/WE CONSENT TO HAVING ALL DISCLOSURES PROVIDED OR MADE AVAILABLE TO ME/US IN ELECTRONIC FORM AND TO DOING BUSINESS WITH THE CREDIT UNION ELECTRONICALLY. I/WE AGREE TO THE SAME TERMS THAT APPLY TO A SIGNED APPLICATION OR AGREEMENT; AND I/WE AGREE THAT SUBMITTING THIS CONSENT OR ACCEPTING THESE TERMS CONSTITUTES MY/OUR SIGNATURE AS THOUGH SAME WERE PHYSICALLY SIGNED BY ME/US. IF THERE IS A CO-APPLICANT OR USER, I/WE REPRESENT AND WARRANT THAT SUCH CO-APPLICANT OR USER HAS AUTHORIZED THE SUBMISSION OF THIS APPLICATION. THIS ELECTRONIC SUBMISSION/CONSENT QUALIFIES AS MY/OUR SIGNATURE FOR ALL PURPOSES AND USES WHATSOEVER.

7. **Links to Other Sites.** Our website may contain links to third party websites. These links are provided solely as a convenience to you and not as an endorsement by the Credit Union of the contents on such third-party website. Credit Union is not responsible for the content of linked third-party sites and does not make any representations regarding the content or accuracy of materials on such third party websites. If you decide to access linked third-party websites, you do so at your own risk.

ELECTRONIC FUNDS TRANSFERS AGREEMENT AND DISCLOSURES

1. **Purpose Of This Agreement.** This Agreement defines your and the Credit Union's rights and responsibilities with respect to transactions. You understand that all agreements and rules and regulations applicable to your accounts and account services, as set forth in this Booklet and otherwise, remain in effect and apply to this Agreement, **except as specifically modified in this Section.** You agree to abide by this Agreement, and all rules, regulations and instructions of the Credit Union and the networks relating to the use of any Card and/or Access Device, as amended, modified or revoked. The Credit Union may not offer all services discussed in this Agreement at this time.
2. **Types Of Electronic Funds Transactions.** The Electronic Funds Transactions we are or may be capable of handling in the future are indicated below. Some of these services may not apply to your account(s) and/or some of these services may not be available at all terminals.
- a. **Automatic Teller Machines (ATMs).** The Credit Union may issue to you an ATM card and Personal Identification Number ("PIN") to be used to make transactions. You can use your ATM card at the Credit Union's ATMs to:
- (1) Withdraw cash from the account(s) designated in your Membership Application ("Application").
 - (2) Check the balances in the account(s) designated in your Application (this is called an "inquiry");
 - (3) Transfer funds between the account(s) designated in your Application; and
- b. **Debit/Point of Sale Transactions.** If we approve your Application for a POS/ATM Debit, Mastercard Check Card, or other electronic Access Device, you may use your Card/Access Device to purchase goods and services at point of sale (POS) terminals designated by the Credit Union and anywhere participating merchants honor your Card/Access Device. Transactions hereunder will be covered by funds deducted from your primary share draft account. Subject to the limitations in the Schedule, you may pay for goods and services (or make certain other transfers if the merchant is a financial institution) at applicable terminals up to the available balance in your designated checking account and any available credit under your applicable overdraft line-of-credit, and cause that account to be debited for the amount of those purchases. Your available balance in that account may be reduced by the amount of any transaction as soon as the merchant has received authorization from us, even if the documentation evidencing the transaction has not yet been received and processed by us. A merchant is not required to receive prior authorization from us on every transaction. When the documentation has cleared through us, any hold placed on your account for the amount of the purchase or other transactions will be released and your account debited for that amount. NOTE: Cards designated as ATM only may not be used at POS or other non-ATM terminals.
- c. **Preauthorized Transfer Services.** You can authorize the following transactions without the use of an access device issued by the Credit Union: (1) **Payments:** You can make payments on your loans with the Credit Union directly from your primary share or primary checking accounts; (2) **Within Credit Union Transfers:** You can arrange to transfer funds between your primary share and primary checking accounts. By separate application, you can arrange to transfer funds from your accounts to the account(s) of other members; (3) **Direct Deposits and Payments:** You can authorize persons or companies to make direct deposits or withdrawals to or from your share or checking accounts for payroll, pension, social security and other types of deposits or payments. You may give other persons or companies written or oral permission to transfer payments from your Credit Union accounts through "ACH" or other electronic means. Such agreements or arrangements are solely between you and the other person or company. The Credit Union shall have no responsibility or liability to you for any such transactions. Thus, you should exercise caution in providing such authority and/or information to access your accounts to others. The authority or information you give to others hereunder applies to all "ACH" or other electronic transactions, whether evidenced by any type or writing or converted to a written instrument by the other person (and/or their agents). All such transactions are deemed to be authorized by you.
- d. **Telephone Transactions.** If we approve Telco Teller (audio response) access service for your accounts, you may access your accounts through Telco Teller Service (audio response) with an access code that we will issue. You must use your Access Device and account number to access your accounts. You may use TelcoTeller service to:

- Obtain account information related to any of your savings and loan accounts regarding current balance, checking history, savings dividends and rates, loan interest and payoff amounts, payroll and automatic deductions.
- Change access code
- Make transfers to or from your Regular Share, Deposit, Transaction, Checking, Preferred Money Market or such accounts you have authorized in writing prior to such transfer request.

- Withdraw funds from savings, checking and line of credit accounts by check made payable to you and mailed to you at your mailing address.
- Make loan payments from any savings or checking account to any loan account of yours.

Telephone services are provided by our Member Service staff during business hours. Verification of account ownership will be requested before account information is released. To ensure courteous and efficient service, supervisory personnel in our Member Service Department may monitor calls randomly.

e. **Electronic check conversion (“E-Check”) types of transfers** – Your check or information you convey to a third party can result in an electronic funds transfer. This can happen in several ways. For example:

- You can purchase goods or pay for services and other bills; and authorize a merchant or service provider to convert your check into an electronic funds transfer.
- At the time you offer a check to a merchant or service provider, you may be asked to authorize the merchant or service provider to electronically collect a charge in the event that the check is returned for insufficient funds and/or other fees. Paying such a fee electronically is an electronic funds transfer.
- Your authorization to make these types of electronic funds transfers may be expressed in writing or implied through the posting of a sign or your participation in the initiation of the processing of the transaction. This can also happen when you provide information from your check or an account to another by telephone, Internet or otherwise, who then converts the information given to an electronic transaction, ACH or otherwise.
- You agree that any such transaction is subject to all applicable terms and conditions set forth in this Membership Agreement.

f. **TCCU Online Banking (Internet Network Connection)** . If we approve the TCCU Online Banking, you may access your accounts through a personal computer (PC) with an Access Device. You must use your access code along with your account number to access your accounts. You may use the TCCU Online Banking service to:

- Change your access code.
- Obtain account information related to any of your savings and loan accounts regarding current balance, checking history, savings dividends and rates, loan interest and payoff amounts, payroll and automatic deductions.
- Make transfers to or from your Regular Share, Deposit, Transaction, Checking, Preferred Money Market or such accounts you have authorized in writing prior to such transfer request.
- Request advances on your Telco Credit Mastercard Account, deposit the proceeds in any of your accounts or have the proceeds mailed directly to you at the mailing address listed for your account.
- Withdraw funds from savings, checking and line of credit accounts by check made payable to you and mailed to you at your mailing address.
- Make loan payments from any savings or checking account to any loan account of yours.
- Issue third-party payable checks under Bill Payment Service.

g. **Insufficient Funds Transactions:** If your Account balance is insufficient to cover any transaction(s), we may treat these transactions as insufficient funds transactions; or as overdraft requests if you have an approved overdraft protection plan with us. The Credit Union reserves the right to refuse any transaction if you do not have an approved overdraft protection agreement with us, which decision shall be in the Credit Union's sole discretion.

h. **Electronic Processing and Transactions:** Due to the processing systems for electronic transactions used in the United States and by us, a payment or other transaction may be effective / posted before we are open for business on the date scheduled for the payment or other transaction. Therefore, you are responsible for insuring that your account(s) have sufficient balances as applicable for the scheduled payment / transaction one business day prior to the date scheduled. If a payment is due on a Saturday, Sunday, or Federal holiday, the payment will occur on the first business day after the due date. In these cases, you should plan to have the payment initiated on the last business day before any of these days in order to ensure your payment is made on time. You may not make payments and/or transactions to a federal, state or local governmental or tax unit, or pay child-support or alimony, or to make payments to other categories of payees that we establish from time to time using our electronic services.

3. **General Rules for Using Your Access Devices:** You acknowledge and agree to the following:

a. Your Access Devices are for personal use only. You agree not to allow another person to use your Access Devices.

b. You agree not to reveal your PIN/Password(s) to another person and WILL NOT write your PIN/Password(s) on any Access Device. You are responsible for all Transactions made by you or anyone else who uses your Access Devices with your knowledge and consent. You are also responsible for unauthorized use of your Access Devices to the full extent allowed by applicable law. In addition, any person other than yourself who

uses your Access Devices is responsible for all Transactions they make and for all Transactions made by others with their permission. This does not limit your own responsibility. You agree to be responsible to maintain your Access Devices with maximum security.

c. You authorize the Credit Union to debit/credit your accounts for all Transactions as if each Transaction were signed by you. Further, you agree that by acceptance or use of your Access Devices the Credit Union is authorized to pay from any account necessary to satisfy any Transaction, fee or service charge that results from the use or misuse of your Access Devices.

d. You acknowledge that your Access Devices remains the Credit Union's property and agree to surrender your Access Devices to the Credit Union or its agent upon demand or through retrieval by any other method.

e. You agree to use caution when using any ATM or other electronic terminal or device to complete any Transaction contemplated by this Agreement. You further agree that the Credit Union shall have no responsibility to you or any user, or be liable for any personal injury or property damage, which may occur as a result of any act before, during or after a Transaction or other visit to any ATM or other electronic terminal location. You or any user assume the risk of nighttime use of any ATM or other electronic terminal location or other electronic banking device.

f. An Access Device may be issued to any member or joint owner of legal age when qualified under the rules, regulations, and by-laws of the Credit Union. Only one Access Device may be issued to each member or joint owner.

g. If your Access Device is lost or stolen, you agree to notify the Credit Union immediately upon discovery of such loss or theft. Replacement of an Access Device may be issued by us at the cost set forth in the Schedule. You agree to pay the Credit Union the fee in effect at the time for all copies that you request from us.

h. The Credit Union shall not be responsible for the use or condition of any ATM or other electronic banking terminal or device it does not own. Further, the Credit Union will not be responsible for any failure of an ATM or other electronic banking terminal or device to function except as specifically provided for by law.

i. The Credit Union reserves the right to add or delete ATM or other electronic terminal location or other electronic banking devices as it deems necessary.

j. You agree to hold the Credit Union harmless in its pursuit to locate, apprehend, and prosecute unauthorized use of any Access Device issued by the Credit Union, and you agree to assist the Credit Union in these efforts.

k. The Credit Union reserves the right to make any changes in the daily withdrawal limits it deems necessary.

l. The Credit Union is not liable for any claims you may have against a merchant, company or other financial institution arising from use of your Access Device.

m. The Credit Union cannot stop payment on any point-of-sale Transaction.

n. **Foreign Transactions:** If you incur a charge in a foreign currency or pursuant to or arising from any international transaction, the charge will be converted into a U.S. Dollar amount. For purposes of this Section, an international transaction shall include both (a) transactions initiated in a foreign country which are subsequently settled in the United States, and (b) transactions initiated in the United States but which are ultimately settled in a country outside of the United States, whether or not there is a currency conversion. VISA and/or MasterCard's processing rules provide that the exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by VISA or MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA or MasterCard receives, or the government-mandated rate in effect for the applicable central processing date. In addition, a fee of 1% will be assessed by VISA and MasterCard against the issuer of your card (the Credit Union), which is referred to as the International Transaction Fee. VISA and/or MasterCard's processing rules are incorporated herein, as amended from time to time. The Credit Union will assess the International Transaction Fee to you to reimburse it for the fee it is required to pay for each of your international transactions. The converted transaction amount will be shown separately from the International Transaction Fee (1%) on your periodic billing statement.

o. You agree that by acceptance or use of an Access Device, or other Electronic Funds Transfer Services the Credit Union is authorized to pay from any account you have, jointly or otherwise, with the Credit Union any amount necessary to satisfy any transaction, fee or service charge that results from your use or misuse of such services.

p. You will not obtain any Access Device(s) to make transactions on your accounts with us that is not issued or approved by us.

q. Merchants and others who honor the Check Card or related Access Device(s) may give credit for returns and adjustments, and they will do so by initiating a credit with us, and we will credit that amount to your account.

r. You understand that you must keep your share and share draft checking account open in order for your applicable electronic services to remain valid. You agree to return all Access Devices if you close your account(s), or upon our request.

4. **Making ATM Transactions.** Your PIN will allow you to identify yourself when making an ATM transaction. The presentation of your ATM card together with the input of your PIN constitutes your authorization to the Credit Union to make transactions. You agree to follow all instructions for use of ATMs accessible by your ATM card. Difficulties or complaints concerning the use or condition of any ATM should be reported directly

to the Credit Union. Security or safety measures should be reported directly to the owner of any ATM not owned by the Credit Union.

5. **Termination and Amendment.** The Credit Union reserves the right at any time to terminate your right to make Transactions and to retrieve or ask for the immediate return of any Access Device it deems necessary without prior notice to you. If notification is required by law, notice will be mailed to you at the address shown on the Credit Union's share account records. It is the obligation of each member to provide new addresses to the Credit Union.

6. **Access Device Revocation.** Any Access Device issued by the Credit Union may be revoked without notice to you in the event that any of the following conditions occur:

- Overdrafts occur as a result of insufficient or uncollected funds on an account.
- Any transaction that occurs on your account(s) which results in a monetary loss to the Credit Union.
- Loan, Mastercard® or other delinquency with the Credit Union.
- Forced closure of a share or share draft account at the Credit Union due to misuse.
- Special balance requirements, if any, are not maintained by you.
- Any other situation in which the Credit Union deems revocation to be in its best interest.

7. **Transaction Fees.** You are allowed to initiate transactions at any terminal, ATM or other access means owned by the Credit Union or any Network indicated in the Schedule. You may be charged certain transaction and other fees as set forth in the Schedule, which will be automatically debited from your share or checking account(s). The Credit Union reserves the right to establish and maintain transaction fees and charges, which may be modified from time to time.

Note: Owners of non-Credit Union ATMs may charge fees in addition to any fees disclosed in the Schedule. These fees are generally called a “surcharge.” This is not a fee charged by your Credit Union; however, any such fee will be paid from your account(s).

8. **Service Limitations, Limitation or Frequency and Dollar Amounts of Transactions. Transfer Limitations**

GENERAL LIMITATIONS GOVERNING THE AMOUNT AND NUMBER OF TRANSACTIONS ARE SET FORTH IN THE SCHEDULE. IN ADDITION, THE FOLLOWING LIMITATIONS ALSO GOVERN YOUR USE OF THESE SERVICES:

a. **General Limitations Applicable Accounts.** For share savings and money market accounts, if applicable, you may make up to six (6) preauthorized, automatic, telephonic, or audio response transfers to another account of yours or to a third party during any statement period. There is no limit on the number of transactions you may make in the following manner: (1) transfers to any loan account with the Credit Union; (2) transfers to another Credit Union account or withdrawals (checks 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.

Further, we may reduce the limit for "point-of-sale" transactions during any interruption in the electronic connection between the Credit Union and the retail outlet. Further, we may at any time limit or reduce the number or dollar amount of transactions when we, in our sole discretion, deem it in the best interest of the Credit Union.

b. **Card / Access Device Acceptance.** We do not promise everyone will honor your Card or other Access Device, and we have no obligation to you if anyone refuses to accept your Card/Access Device. We are not liable if any merchant, bank, financial institution or other party refuses to honor your Card/Access Device, or otherwise fails to provide any services made available to you by Credit Union.

c. **POS/Debit/Mastercard Check Card Purchases.** This limit in the Schedule is in addition to any ATM withdrawals.

d. **ATM Transactions.**

e. **Telco Teller (Audio Response).** Your accounts can be accessed under audio response via a touch-tone telephone only. Not all push-button telephones are touch-tone. Converters may be purchased for pulse and rotary dial telephones. 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. Unless otherwise specified in the Schedule, there is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day, **with the exception of the limitations on transfers from savings accounts, as explained above.**

f. **TCCU Online Banking (Internet Network Connection)** You may make TCCU Online Banking transactions at any time seven (7) days per week. There may be some downtime. You may make fund transfers to your accounts or other accounts you authorize as often as you like, however, there certain limitations on transfers from savings accounts, as discussed herein and above. You may transfer up to the balance in your accounts

at the time of the transfer, unless otherwise provide in the Schedule or limited under other agreements. Our Funds Availability Policy may limit the availability of funds transferred by TCCU Online Banking. Account balance and transaction history information may not show all account activity involving your accounts. You may not obtain account information related to accounts other than your accounts to which you have requested a transfer.

9. **Data Security for TCCU ONLINE BANKING.** TCCU ONLINE BANKING is accessible only over the Internet. To prevent unauthorized access to member account data, the Credit Union employs the Secure Sockets Layer (SSL) protocol. This prevents other computers from eavesdropping by encrypting all data transmitted between the TCCU ONLINE BANKING server and the client. Members that live in the United States can use browsers that support 128 bit keys. Cracking a 128-bit key would involve trying all 2 to the 128th power combinations. Members that live abroad are currently restricted by the US Government to using browsers that support 40 bit keys. Cracking a 40-bit key would involve trying all 2 to the 40th power combinations, which are over one trillion combinations. A 40-bit key is less secure than a 128-bit key, and does provide an adequate level of security for member financial services.

The Secure Sockets Layer protocol validates the identity of the TCCU ONLINE BANKING server through the use of a digital certificate. After connecting to the TCCU ONLINE BANKING server in secure mode, our site sends a signed digital certificate, which contains the name of our Web server, its public encryption key, the certificate's validity dates, the name of the certification authority that issued the digital certificate to our site, and an unforgeable digital signature. The digital certificate authenticates to the client that a connection has indeed been established with the TCCU ONLINE BANKING server.

The Secure Sockets Layer ensures that the data transmitted between the client and the TCCU ONLINE BANKING server has not been tampered with through the use of Message Authentication Codes (MACs). This provides a quick way for the receiving end to verify that the data was not changed in route.

10. **Preauthorized Transactions:**

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 in time for us to receive your request three (3) business days or more 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. This means that the preauthorized payment and future preauthorized payments to the payee you identify may be paid by us from your account(s) after the 14th day.

If you order us to stop a preauthorized transfer three business days or more before the transfer is scheduled, and the stop payment order is made according to the terms and conditions of the account and this Agreement, including the requirement that you give us the exact amount of the debit, the next date of the debit and the exact name of the payee, and we do not do so, we will be liable for your losses or damages proximately caused by our failure.

E-Check: When any party converts any check, using the information on the paper via any means to send an electronic message to us, such message is an order by you to immediately take the money from your account. You cannot stop payment of an E-Check transaction, because it is already done.

Other Transactions:

Other transactions hereunder are considered contemporaneous. Therefore, You have no right and we have no obligation to stop or to attempt to stop any other transactions.

11. **Right to Documentation.**

- a. **Terminal Transactions.** You can get a receipt at the time you make any transfer to or from your account using any automatic teller machine or a point-of-sale terminal. Exceptions: A receipt may not be provided for any terminal based transaction that is \$15.00 or less.
- b. **Direct Deposits.** If you have arranged to have direct deposits made to your accounts at least once every sixty (60) days from the same person or company, the person or company making the deposit will tell you every time they send us the money. You can call us at (828) 252-6458 write us at www.telcoccu.org or 1137 Smokey Park Highway, Candler, NC 28715 to find out whether a deposit has been made. If the only possible transfers to or from your accounts are direct deposits, you will get a statement from us at least quarterly.
- c. **Periodic Statements.** Transfers and withdrawals transacted through an ATM or POS terminal, Telco Teller, TCCU Online Banking or debit card purchase will be recorded on your periodic statement. You will receive a statement or notice of the availability of your statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement or notice at least quarterly.

12. **Notice When Amount of Preauthorized Payment(s) Vary.** If you preauthorize the Credit Union to make payments to persons or companies other than the Credit Union that vary in amount, then the person or company you are going to pay has the obligation to notify you ten (10) days before each such payment is due and how much it will be. (When required, you must fill out an appropriate agreement with the Credit Union authorizing such payments, the terms of which are incorporated herein). You may choose instead to get this notice only when the payment differs by more than a certain amount from the previous payment, or the amount falls outside certain limits that you set.

13. **Liability For Failure to Make a Transaction.** If the Credit Union does not complete a transaction to or from your account on time or in the correct amount according to our agreement with you, the Credit Union may be liable for your losses or damages. However, there are some exceptions to this, which include the following:

- a. You do not have enough money in your account to make the transaction through no fault of ours.
- b. The transaction goes over the credit limit on your overdraft line.
- c. The terminal where you were making the transaction does not have enough cash.
- d. The terminal or other system was not working properly and you knew about the breakdown when you started the transaction.
- e. Circumstances beyond our control (such as fire, flood or electrical failure) prevent the transaction, despite reasonable precautions that we have taken.
- f. You have not properly followed instructions for operation of the ATM or system.
- g. The funds in your account are subject to legal process or other similar encumbrance.
- h. The transaction would exceed one of the established limits contained in this Agreement or by other Credit Union agreements.
- i. Access to your account has been blocked after you have reported your Access Device lost or stolen or you use a damaged or expired Access Device.

14. **Information Disclosure.** We will disclose information to third parties about your account or the transactions you make: (1) when it is necessary for completing transactions, or (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, or (3) in order to comply with government agency or court orders, or (4) if you give us your written permission.

15. **Business Day Disclosure.** Our business days are set forth in the Schedule.

16. **In Case of Errors or Questions About Transactions.** In case of errors or questions about your electronic transfers, telephone us at (828) 252-6458 write us at www.telcoccu.org or 1137 Smokey Park Highway, Candler, NC 28715, Membership Liability, or at the end of this disclosure, as soon as you can. (For any errors involving a line of credit account, you must review your Loan Agreement and Disclosure and/or Mastercard Credit Card Agreement for a description of your rights.) We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears. You should provide the following information:

- a. Tell us your name and account number.
- b. Describe the transfer you are unsure about, and include to the extent possible, the type, date and explain as clearly as you can why you believe it is an error or why you need more information.
- c. 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, at the address listed in this Agreement and Disclosure.

We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct the error within one (1) business day after determining that an error occurred.

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 re-credit your account within ten (10) business days of receiving the error notice, and will inform you, within two (2) business days, after providing the provisional credit, with the amount you think is in error, and the date, so that you will have the use of the money during the time it takes us to complete our investigation. We will correct the error, if any, within one (1) business day after determining that an error occurred. A report of our results will be delivered or mailed to you within three (3) business days after the conclusion of the investigation (including, if applicable, notice that a provisional credit has been made final).

For transactions initiated outside the United States, or resulting from a point-of-sale debit card transaction, we will have ninety (90) calendar days instead of forty-five (45) business days, unless otherwise required by law, to investigate your complaint or question. For transactions on accounts that have been opened less than thirty (30) calendar days, we will have twenty (20) business days instead of ten (10) business days to

credit your account, and ninety (90) calendar days instead of forty-five (45) business days, unless otherwise required by law, to investigate your complaint or question.

Special Rules for Provisional Credit for Mastercard® Check Card Transactions

If you believe a Mastercard® Check Card Transaction was unauthorized, we will re-credit your account within five 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 in writing, we need not re-credit your account, or we may reverse any credit previously made to your account, until we have received it. We may withhold provisional credit, to the extent allowed under applicable law, if the delay is warranted by the circumstances or your account history.

17. **Your Liability for Unauthorized Transaction.** Tell us AT ONCE if you believe your Access Device has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You are responsible for all transfers you authorize using an EFT service under this Agreement. If you permit other persons to use an EFT service or your Access Device, you are responsible for any transactions they authorize or conduct on any of your accounts.

Special Notice to Mastercard Check Cardholders: If there is an unauthorized use of your Mastercard Check Card or an Internet transaction, and the transaction takes place on the Mastercard network, then your liability will be zero (\$0.00). This provision limiting your liability does not apply to either Mastercard commercial cards or ATM cash disbursements. Additionally, your liability with respect to unauthorized transactions may be greater than the above zero (\$0.00) liability limit, to the extent allowed under applicable law, if the credit union reasonably determines, based on substantial evidence, that you were grossly negligent or fraudulent in the handling of your account or card. In any case, to minimize your potential liability you should notify us of any unauthorized use no later than 60 days after your statement was mailed to you.

For all other EFT transactions that require the use of a PIN or Access Code, if you tell us within two (2) business days, you can lose no more than \$50 if someone uses your card and PIN or Access Code 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, PIN or Access Code, and we can prove that we could have prevented the unauthorized transaction if you had told us in time, you could lose as much as \$500. In no event will you be liable for more than \$50 for any unauthorized transaction.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money 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 that your Card or Access Code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, you must call (828) 252-6458 during normal business hours, or write us www.telcoccu.org or 1137 Smokey Park Highway, Candler, NC 28715. If a good reason (such as extended travel or hospitalization) kept you from telling us, we may extend these time periods.

18. **Reporting A Lost Card or Personal Identification Number (PIN).**

If you believe that any Access Device has been lost or stolen or that someone has withdrawn or may withdraw money from your account without your permission, you agree to immediately notify us. You can call the Credit Union or write us at the telephone number or address listed in this Booklet or the Schedule. If you recover your Card/Access Device after you have notified us, DO NOT USE IT. (www.telcoccu.org)

BILL PAYMENT AGREEMENT

Bill Pay is an electronic payment service. You may use a personal computer to access the Bill Pay service through Telco Online Banking found at www.telcoccu.org.

Bill Pay allows you to schedule bill payments electronically or by check if your payee does not participate in the electronic bill pay program. Subject to any regulatory or Credit Union imposed limitations on usage, you can arrange for the payment of your bills from a Credit Union checking account. Access to Bill Pay is made available pursuant to a license agreement by and between Credit Union and iPay. Any interruption of service or access caused by the Credit Union or iPay may prevent your use of the service.

Passwords & Security. To utilize the services, you will need to enter your account and access code and otherwise satisfy the system's security procedures, including multi-factor authentication. You agree not to give or make available your password or other means to access your account to any unauthorized individuals. You are responsible for all payments you authorize using the Service. If you permit other persons to use the Service, your password or other means to access your account, you are responsible for any transactions they authorize or perform.

You understand that by disclosing your password to anyone, regardless of whether that person is a signer, you are providing the person authorization to perform transactions on your account(s), through the Service until you revoke such authority by changing the password. If you fail to maintain security of your password and Telco Community Credit Union suffers a loss, we reserve the right to terminate the Services as well as other Telco Community Credit Union deposit and loan services provided via Online Banking. If you believe that password or other means to access your account has been lost or stolen or that someone may attempt to use the Service without your consent or has transferred money without your permission, you must notify the Telco Community Credit Union immediately.

Liability for Unauthorized Access. Tell us at once if you believe your password has been lost or stolen, or an unauthorized person has obtained access to your account(s) without your permission. Telephoning is the best way of keeping your possible losses down. If you believe anyone has used your password or accessed your accounts through Online or Mobile Banking without your authorization, please call us immediately at the contact information provided below.

You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within two business days after you learn of the loss or theft of your password, you can lose no more than \$50 if someone used your password without your permission.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If you tell us verbally, we may require that you send us your dispute in writing or electronically within ten (10) business days.

Detailed instructions for use of Bill Pay are contained in the online help menus available while using Bill Pay. You may also contact iPay support number from 7:30am EST through 2am EST Monday-Friday by calling toll free 855-621-4786 or clicking on the live chat icon to initiate a web chat session with a bill payment representative who will assist you with any bill payment questions.

Designation of Account(s). In order to use Bill Pay you understand that you must have a checking account with Credit Union. That checking account, or the one you designate if you have more than one, will be treated as the designated checking account for transactions accomplished through Bill Pay (Bill Pay Account). Bill payments may only be processed using your Bill Pay Account.

You may have multiple designated Bill Pay checking accounts, but each one must have its own payee list.

Equipment and Technical Requirements. You understand that to have Bill Pay access, I am required to acquire the necessary equipment, services and software. These include a personal computer, an Internet Service Provider (ISP) using dial-up or other communication methods and Microsoft Internet Explorer browser software. As browsers are updated over time, older versions may not function effectively for Bill Pay. It is your responsibility to upgrade your browser, when it becomes apparent it is needed, to ensure that you can access the Bill Pay system. These requirements are more fully described in your Membership Agreement with the Credit Union, the terms and conditions of which are incorporated herein by reference.

Transaction Modes. Bill payments can be entered on the single payment, recurring payments or multiple payments screens. Using any of these screens, you must enter a payment date or a start and end date, depending on the type of payment, for your bill payment. Bill payments are scheduled by you to be debited from your Bill Pay Account based on the date(s) you enter on one of the bill payment screens.

If you submit an electronic payment, sufficient funds must be available at the time the payment is processed & posted from your account. You have until 3pm on the process date to cancel a bill payment. You should allow up to 3 days for the payee to receive and process your electronic payment.

If you submit a bill payment by check, sufficient funds must be available at the time the bill payment is processed. Bill payment check can take up to 7 business days to be received and processed by the payee. You are subject to a non-sufficient funds fee or courtesy pay fee if there are not enough funds available and the check will be returned to the payee unpaid. Bill payments with a status of "processed" may not be canceled or changed.

Bill payments can also be scheduled with a bill payment date in the future. If the payment falls on a weekend or holiday, you have the option of choosing whether to process the payment the business day before or after the weekend or holiday.

If you designate a bill payment as a **"Recurring"** transaction, you may request, and Credit Union will use, a payment date that reoccurs on a specified regular basis (i.e., weekly, bi-weekly, monthly, etc.). You will designate a frequency from the list provided. Funds must be available in your Bill Pay account at the time the bill payment is processed.

Our ability to process a stop payment request will depend on the payment method and whether or not a check has cleared. We may also not have a reasonable opportunity to act on any stop payment request after a payment has been processed. If you desire to stop any payment that has already been processed, you must call the Telco Community Credit Union at the contact information listed below. Although we will make every effort to accommodate your request, the Credit Union will have no liability for failing to do so. The fee for stop payments is disclosed in our Truth in Savings Disclosure & Fee Schedule

Transaction Processing. Funds will be taken out of your Bill Pay Account on the bill payment date entered by you. In many cases, your bill payments are electronically delivered to the payee within 3 business days of the bill payment date. However, some payees are not set up to accept electronic payment. In these cases, a check will be sent, which may take 7 business days to process and deliver to the payee.

You must allow sufficient time (Up to 3 Days for electronic payments, up to 7 days for bill check payments) for Bill Pay to receive your request and process the bill payments so that the funds can be delivered to the payee before the payment due date, or for mortgage payments, on or before the due date (the due date shown on my invoice or provided in your agreement with the payee, not taking into account any grace period provided by the payee). If you do not allow sufficient time, you will assume full responsibility for all late fees, finance charges, or other actions taken by the payee. If you properly schedule your payment with sufficient time, and the payment is not received by the payee, or is received late, the Credit Union will assume

responsibility for any late fees or finance charges, if you notify the Credit Union of such late fees or finance charges within a reasonable time.

The Credit Union is responsible only for exercising ordinary care in making payments upon my authorization and for mailing or sending a payment to the designated payee. Credit Union is not liable in any way for damages you incur if: You do not have sufficient funds in your account to make the electronic payment when it is processed.; the estimate of time to allow for delivery to the payee is inaccurate; there are mail delivery delays, changes of merchant address or account number; any merchant fails to account correctly for or credit the payment in a timely manner; or for any other circumstances beyond the control of the Credit Union. If a bill pay check payment is made through use of Bill Pay with insufficient funds in your account when the bill payment is processed, you may be subject to a non-sufficient funds fee or courtesy pay fee pursuant to the terms of the Membership Agreement governing the account and the Credit Union's Funds Availability Disclosure.

You must keep the Credit Union aware of any changes in my current home or business phone numbers and addresses or e-mail address, as applicable. You are responsible for monitoring the Bill Pay activity to verify that you did not have a payment that was not processed due to insufficient funds in your account. If you do have a payment that failed because of insufficient funds in your account, you are responsible for either making alternate arrangements for the payment or rescheduling the payment through Bill Pay.

Canceled or Modifying Bill Pay Authorized Payments. Bill Pay payment transactions cannot be canceled or changed once my Bill Pay session has been processed. You may, however, edit or delete these transactions up until my Bill Pay session is terminated.

In order to request a cancellation of a payment or change a Bill Pay transaction designated with a future bill payment date or a "Recurring" date, you must use Bill Pay and follow the instructions provided to you. You must cancel the payment using Bill Pay by 3 pm of the day before the scheduled processing day.

If Bill Pay is not accessible, however, you understand the Credit Union will only accept a verbal or written notice to cancel a Bill Pay transaction if it relates to a payment designated as "Recurring" or with a future payment date. You understand that this notice is acceptable only if it is received at 1137 Smokey Park Highway, Candler NC 28715, no later than three business days before the scheduled date of the payment. If you call, the Credit Union may also require you to put your request in writing and be received by the Credit Union within fourteen days after you call. If the payment was designated as "Recurring," the notice must detail whether the cancellation applies to only one of the recurring transactions or all transactions in the recurring stream.

Limitations on Bill Pay Services

- **Dollar Amounts.** There is a dollar limit of what is available in your account in any 24-hour period up to \$9,999.99.
- **Available Funds Required.** All bill payments initiated through Bill Pay are subject to sufficient funds being available in the affected account to cover the payment on the Bill Payment Date.
- **Payees.** Any payee you wish to pay through Bill Pay must be payable in U.S. Dollars and be located in the United States. Each payee must appear on the payee list you create and the account you are paying with, must be in your name. You may not use Bill Pay to make payments to a federal, state or local governmental or tax unit, or to pay child-support or alimony. The Credit Union reserves the right to refuse to make any payments, but will notify you of any such refusal within three (3) business days following receipt of your payment process date.
- **Payment Dates.** If a payment is due on a Saturday, Sunday, or Federal holiday, Bill Pay will schedule the payment to occur on the first business day after the due date. In these cases, you should plan to have the payment initiated on the last business day before any of these days in order to ensure your payment is made on time.
- **Minimum Payment Amount.** There is a minimum bill payment amount of \$1.00 for each bill payment processed.

Cancellation of Bill Pay Service

Bill Pay service may be canceled at any time by written request to Telco Community Credit Union. The request must include your name, address, last four digits of the accounts number, signature and date. The Credit Union cannot cancel the service until all pending payments have cleared. If you have pending payments and do not wish to wait for them to clear, you may individually delete the pending payments by following the edit/delete commands online. If you cancel Bill Pay, then you agree to notify us at that time. You will be responsible for all payment instructions made prior to termination and for all other applicable charges and fees. You will cancel all outstanding payment orders before notifying us to terminate this service. Telco Community Credit Union has the right to cancel your bill payment service due to inactivity over 180 days.

Damages and Warranties In addition to the terms previously disclosed, the Credit Union is not responsible for any losses, injuries expenses, claims, attorney fees, interest or other damages, whether direct, indirect special, punitive, incidental or consequential, (collectively, Losses) caused by Online Banking or the use of the Online Banking Services or in any way arising out of the installation, use or maintenance of your personal computer hardware or software, including any software provided by Institution or one of its suppliers. In addition, the Credit Union disclaims any responsibility or liability for any electronic virus(es) you may encounter after installation of such software or use of Online Banking or the Online Banking Services. Without limiting the foregoing, neither the Credit Union nor its suppliers shall be liable for any: (i) failure to perform or any losses arising out of an event or condition beyond their reasonable control, including but not limited to communications breakdown or interruption, acts of God or labor disputes; or (ii) the loss, confidentiality or security of any data while in transit via the Internet, communication lines, postal system or ACH network. The Credit Union and its suppliers provide Online Banking and the Online Banking Services from their own sites and they make no representation or warranty that any information, material or functions included in Online Banking or the Online Banking Services are appropriate for use by you in your jurisdiction. If you choose to use Online Banking and/or the Online Banking Services, you do so on your own initiative and are solely responsible for compliance with applicable local laws and regulations. Neither the Credit Union nor its suppliers warrant the adequacy, accuracy or completeness of any information provided as a part of Online Banking, the Online Banking Services, or contained in any third party sites linked to or from the Credit Unions website. THE CREDIT UNION MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND REGARDING THE ACCURACY, FUNCTIONALITY OR PERFORMANCE OF ONLINE BANKING, ONLINE BANKING SERVICES, BILL PAY SERVICES, OR ANY SOFTWARE THAT MAY BE USED IN CONNECTION WITH SAME. THE CREDIT UNION DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ERRORFREE OPERATION.

Contact Information: Telco Community Credit Union, 1137 Smokey Park Hwy, Candler, NC, 28715
Phone: 828-252-6458

BANK TRANSFER SERVICE AGREEMENT

General

This Bank Transfer Service Agreement ("Bank Transfer Agreement") explains the additional terms and conditions governing the Bank Transfer Services offered through Telco Community Credit Union Internet Home Banking. By using the Bank Transfer Service you agree to abide by the terms and conditions of this Bank Transfer Agreement, in addition to the terms and conditions disclosed in the Online Banking Agreement. This Bank Transfer Agreement will be governed by and interpreted in accordance with all applicable federal laws and regulations and to the extent that such applicable federal law or regulation has not preempted them, in accordance with the laws of the State of North Carolina, without regard to its conflicts of laws and/or provisions. As used in this Agreement, the words "you" and "your" refer to the user of the Bank Transfer Service. The words "we," "us," "our," "TELCO" and "Bank" refer to Telco Community Credit Union.

Acceptance of Agreement

By using the Bank Transfer Service you agree to abide by the terms and conditions of this Bank Transfer Agreement, in addition to the terms and conditions disclosed in the Online Membership Account Agreement.

When you elect to sign up for the Online Banking Bank Transfer Service electronically and click on the "I Agree" button, you agree to accept the terms and conditions of this Bank Transfer Service Agreement including any future amendments to the Bank Transfer Service Agreement or changes in the terms.

If you do not agree to all of the terms in the Bank Transfer Service Agreement, click on the "I Decline" button. If you do not accept the terms of the Bank Transfer Service Agreement then you will not be permitted to use the Service.

We may change this Bank Transfer Service Agreement at any time. For example, we may add, delete or amend terms or services. We will notify you of such changes by mail or by e-mail. If you use the Bank Transfer Service after the effective date of a change, your use indicates that you agree with the change(s).

Qualification

- Be a member in good standing.
- Utilize e-Docs and e-Statements at Telco.
- Not be delinquent on any Loan Account with us.
- Not have a history of returned deposit items.
- Not have a history of Loan Charge-Offs or Deposit Account Charge-Offs.
- Not have a limited checking account

Enrollment

Within Online Banking you may separately enroll for the Bank Transfer service ("Service"). This Service allows you to transfer funds between your linked personal deposit accounts at TELCO and certain deposit accounts at other financial institutions. An inbound transfer moves funds into an account at TELCO. An

outbound transfer moves funds from an account at TELCO to an account outside of TELCO. You will need to enroll each of your non-Financial Institution accounts that you wish to use for this Service. You agree that you will only attempt to enroll accounts for which you have the authority to transfer funds. All accounts requested to be used as part of this Service will be verified in accordance with TELCO procedures. The verification process must be completed by you prior to using the Service. You will have 10 days after enrolling an account to complete the verification process. Verification instructions are displayed to you during the enrollment process.

Funds requested to be transferred will be debited/credited to your TELCO account the business day following the day you initiate the transfer, provided you have met the Financial Institutions cutoff time for submitting Bank transfers. In the case of a future dated or recurring transfer, these time limits will be the business day following the scheduled date of the transfer. Funds requested to be transferred will be debited/credited to the non-Financial Institution account according to the receiving FI's availability and transaction processing schedule.

Request for immediate transfers of funds cannot be canceled. Future dated and recurring transfers can be canceled by 8:00pm the day prior to the scheduled transfer date. If the transfer status is In Process, Pending, or Processed, you cannot cancel the transfer.

There currently are no fees for the Service. Fees are subject to change. Transfers are subject to the following limits unless otherwise agreed upon by you and Telco Community Credit Union:

1. Three inbound transfers per day not to exceed a total of \$5,000
2. Three outbound transfers per day not to exceed a total of \$5,000

The above limits apply to the total of all Bank transfers of a specific type for all accounts enrolled in the Service. We may change your dollar limits and transfer limits at any time. Unless specifically listed in this agreement, this Service is subject to the definitions and terms of the Membership Account Agreement signed by you when opening your account or any amendments thereto. A current copy of the Membership Account Agreement can be viewed by selecting Online Membership Account Agreement from the menu bar within your Online account.

By clicking on I Agree below, you agree to the terms of the Service Agreement and the Online Banking Services Agreement.

Bank Transfer Enrollment Introduction

Bank allows you to transfer funds to or from your TELCO checking or savings account(s), and/or to or from accounts you may have at other financial institutions. You may have as many as three inbound transfers totaling \$5,000 per day and as many as three outbound transfers totaling \$5,000 per day. To begin the enrollment process, click Enroll at the bottom of the page.

For questions, or if you need assistance with the enrollment process, please contact a TELCO representative at (828) 252-6458 or email us at info@telcoccu.org. You may also send us a secure message by clicking on the "Contact Us" link at the top of the page.

Bank Transfer Enrollment Entry

First box:

To enroll an external account for Bank, complete the information at the bottom of the screen. You will need the Routing Number and Account Number of the account you wish to enroll, which can be found on a deposit slip or check for that account. An example of where to find the requested information is below.

For questions, or if you need assistance with the enrollment process, please contact a TELCO representative at (828) 252-6458 or email us at info@telcoccu.org. You may also send us a secure message by clicking on the "Contact Us" link at the top of the page.

Second box:

To enroll an external account, complete the information below. An example of where to find the Routing Number and Account Number is provided above.

Bank Transfer Enrollment Submission

In order to use the external account for FI Transfers, the account must be verified. Your institution will verify that you are authorized on the external account in one of two ways:

1) Manual verification: You must provide TELCO with proof that you are authorized to the external account. Please contact TELCO to determine what documentation is required.

2) Auto verification: Your external account will be credited with a random amount within one to two business days. Once you see the credit on your external account, log back into your home banking account, go to Enrolled Accounts and key in the amount of the credit without decimal points or dollar signs. For example, if 21 cents credits your external account, you will enter 21 in the Verification Amount field. You will have 7 calendar days to complete this process.

You may add another external account after clicking the Return button below.

Bank Transfer Enrolled Accounts

Below is a list of your currently enrolled Bank external accounts, including those pending approval. You may edit or delete accounts from this page.

For questions, or if you need assistance with the enrollment process, please contact a TELCO representative at (828) 252-6458 or email us at info@telcoccu.org. You may also send us a secure message by clicking on the "Contact Us" link at the top of the page.

Bank Transfer Add New Transfer

To add a new Bank transfer, complete the fields below and select Submit. You may submit up to three inbound transfers and three outbound transfers per day. The total dollar amount of inbound transfers cannot exceed \$5,000. The total dollar amount of outbound transfers cannot exceed \$5,000. You may set up recurring or future dated transfers. These transfers will count towards your totals on the day that the transfer is scheduled to occur.

Please note: Per government regulation transfers from a Savings or Money Market account to another account or third party by preauthorized, automatic, or telephone transfer – including online banking transfers - are limited to six per month with no more than three transfers by check, draft, or ACH or similar order to third parties. If you exceed the transfer limitations set forth in any statement period, your account will be subject to closure by the financial institution and may be subject to an excessive usage fee based on our current fee schedule for every outgoing transfer above the stated limit.

Bank Transfer Service

The Bank Transfer Service ("Service") is a Bank funds transfer service offered by TELCO and Telco Community Credit Union's Service Provider ("Service Provider"). This Service allows you to transfer funds to or from your eligible Telco Community Credit Union account(s) and other eligible account(s) held by you at another financial institution or brokerage company in the United States. Transfers can only be completed between accounts that are owned by the same account holder or if you are a holder in a joint account. Transfers can be one time, scheduled, or recurring. In order to use the Service, you have to be an Online Banking ("Online Banking") customer of Telco Community Credit Union and must have an e-mail address.

Eligible Account Types for Transfers

- Telco Community Credit Union checking accounts, savings accounts, Money Market checking and Money Market accounts.
- Checking accounts, savings accounts, Money Market checking and Money Market savings accounts held at a financial institution or credit union in the United States that are able to accept ACH transfers.
- Investment and brokerage accounts from other institutions.

Please note, your account(s) held at Telco Community Credit Union will be auto-enabled for this service.

All of your external accounts will be required to complete our Account Verification process.

Ineligible Account Types for Transfers

- Individual Retirement Accounts (IRAs).
- 401 K Accounts.
- Custodial and/or Trust Accounts.
- Business Accounts for which more than one person has check-writing privileges.
- Certificate of Deposits (CDs) or other time-based accounts.
- Loan Accounts (including credit card and equity accounts).

You may have other accounts that are ineligible for the Bank Transfer Service due to restrictions specific to your Financial Institution(s). If in doubt, you must contact the other financial institutions to verify if the accounts are eligible for the Bank Transfer Service.

Account Verification

We may verify the account(s) you add to the Bank Transfer Service. You authorize us to validate the account(s) at other financial institutions, credit unions, or brokerage companies using one or more of the following methods:

- Online (Real Time) – If you have online access to the other financial institution then account(s) you are adding can be verified in real time. If the account information can be accessed online with the username and password, the account is approved.
- Trial Deposit – The Trial Deposit method makes one or two small deposits to the external account and requests that you confirm the amounts deposited. You must confirm the amount by typing in the values of the deposits at the Telco Community Credit Union Online Banking Bank Transfer site. If the entered values match the Trial Deposit amounts, the account is approved.

Account(s) held at Telco Community Credit Union will not require account verification.

Credit Report Verification

You authorize us to verify your identity by obtaining information about you and your credit history from a consumer reporting agency. Telco Community Credit Union and/or the Service Provider will obtain and use your credit information only in accordance with the Fair Credit Reporting Act ("FCRA") and other applicable law. We reserve the right to deny you access to the Bank Transfer Service if we cannot verify your identity

or other necessary information. We may approve or decline your application for the Bank Transfer Service based upon our review of your consumer report, along with other relevant information. If we deny your request to use the Bank Transfer Service, and such decision is based in whole or in part, on a consumer report from a consumer reporting agency, Telco Community Credit Union will send you a Credit Denial Statement and you may obtain a free copy of the consumer report that we used from the consumer reporting agency that issued the report, within a certain time period.

Transfer Amount Limits Standard Limits - Daily Standard Limits - Monthly* INBOUND & OUTBOUND

- Three inbound transfers per day not to exceed a total of \$5,000.

- Three outbound transfers per day not to exceed a total of \$5,000.

Processing/Cut-Off Time Frames

- Bank Transfer requests will be debited the business day after you initiate the transfer request, and will be credited on the third business day after you initiate the transfer request.

Our business days are Monday through Friday, except for federal banking holidays. Depending upon the other financial institution, it may take an additional business day for the transaction to be reflected in the account balance of the destination account.

Rejected Bank Transfers

A Bank Transfer will be returned if it cannot be successfully posted to your accounts. The most common reasons for failed or returned Bank Transfers include, but are not limited to:

- Entering an incorrect account number or ABA number.
- Insufficient available funds in the account to be debited and/or credited.
- Insufficient minimum available balance to meet the "Premium" or "High" Limit transfer qualification criteria.
- Exceeding the dollar limit for an individual transaction, total transactions per month, or pending transfers that have not yet been posted.

It is your responsibility to monitor the status of your Bank Transfer request and for ensuring that it has been processed as requested.

Right to Cancel a Transfer

You may cancel your Bank Transfer request if the "Cancel" link (next to the transaction) is displayed on the Overview page available in the Online Banking Bank Transfer Service. If the "Cancel" link is not displayed, then the deadline has passed and you will not be able to cancel the Bank Transfer request.

Future Dated or Recurring Bank Transfer Instruction(s)

Using the Service's "Schedule" link, you may schedule a one-time future dated Bank Transfer and/or a recurring Bank Transfer. A future dated and/or recurring Bank Transfer may be scheduled for a date up to one year in the future. However, these transfers are still subject to the Daily/Monthly limits defined in Transfer Amount Limits.

A one-time future dated or recurring Bank Transfer scheduled to be initiated on a weekend or non-bank business day will be initiated on the next business day and is subject to the same terms and conditions as any other Bank Transfer initiated through the Service. Please refer to Processing/Cut-Off Time Frames for additional information.

Transfers from Money Market and Savings Accounts

You are limited to six preauthorized electronic fund transfers and telephone transfers, checks and point-of-sale transactions per statement cycle. Of these six transactions, you are limited to only three transactions by check or point-of-sale. (For information on these accounts, see our Deposit Agreement and Account Terms Disclosure) Each transfer or payment through the Internet Home Banking from your savings or money market deposit account is counted as one of the six limited transfers you're permitted each statement period. We charge a fee for each transaction in excess of this limit (refer to the TELCO Fee Schedule for fees). However, payments to your TELCO Loans are not counted toward this limit for Money Market deposit accounts.

Reliance on Account Number Provided

If your Service instructions identify the beneficiary or a bank using both a name and a number, we may use the number only to execute your instructions, and are not responsible if the name and the number do not agree. Your obligation to pay the amount of the Bank Transfer to us is not excused in such circumstances.

Unique E-mail Address

You must have a unique e-mail address in order to sign up for the Service, and the same e-mail address may not be used by more than one person, even if they are joint account owners.

Joint Accounts

Any account owner with Online Banking Access may sign up for the Service and request to link any eligible account in their Online Banking profile to the Service. As applicable, the terms of this Agreement will extend to all joint account owners. Joint owners are subject to the joint tenancy rules contained in the Membership Account Agreement.

Other Agreements

Using the Service will also be affected by the agreements between you and us for your TELCO deposit accounts, credit cards, and loans, including the TELCO's Membership Account Agreement, and the Account Terms Disclosure(s) for your accounts. Using the Service does not change the agreements you already have with us on those accounts. You should review those agreements for any applicable fees, for limitations on the number of transfers you can make, and for other restrictions that might impact your use of an account with the Service. The terms and conditions of any other such agreements govern the terms and conditions of this Bank Transfer Service Agreement except that in the event of a conflict, the terms and conditions of this Bank Transfer Service Agreement shall govern; provided, however, that in the event of a conflict between the terms and conditions of this Bank Transfer Service Agreement and the Membership Account Agreement, the terms and conditions of the Membership Account Agreement shall govern.

Suspension and Reinstatement of Bank Transfer Service

In the event that we at any time incur a problem with your use of the Service, including without limitation, the inability to debit any of your Account(s) or to collect with respect to any of your Bank Transfers as described above, and without limiting any other right or remedy that we may have under this Agreement or otherwise, we reserve the right to suspend your right to use the Service, immediately and without prior notice to you. You understand and agree that such action is reasonable for us to take in order to protect Telco Community Credit Union from loss. In the event of such suspension, you may request reinstatement of your Service by contacting us in writing, through the Internet Home Banking e-mail, or by calling your branch.

We reserve the right in our sole discretion to grant or deny reinstatement of your use of the Service. In the event we agree to reinstate you, we reserve the right to, and ordinarily will, reinstate your Service in accordance to "Standard Service" per-transaction and monthly dollar limits and/or with other restrictions that otherwise might be available to you. Based upon your subsequent usage of the Service, TELCO, in its sole discretion, may thereafter restore your ability to affect transfers subject to such higher limits as may then be in effect (see "Transfer Amount Limits" above).

Updating Records

You agree to promptly update your profile records if your e-mail address or other information changes. You may update your records, such as your e-mail address, by selecting the "Edit Your Profile" section within the Bank Transfer Service. You are responsible for the accuracy of all of the information you input, and agree that we may rely on the information you provide, without further verification, when processing transactions you initiate through the Service.

YOU AGREE THAT TELCO COMMUNITY CREDIT UNION SHALL NOT BE LIABLE FOR ANY COSTS, FEES, LOSSES OR DAMAGES OF ANY KIND INCURRED AS A RESULT OF ANY INACCURACY, INCOMPLETENESS OR MISINFORMATION CONTAINED IN THE INFORMATION YOU HAVE PROVIDED TO US.

Cancellation

Your Service remains in effect until it is terminated by you or Telco Community Credit Union. You may cancel your Service at any time by notifying us of your intent to cancel in writing, through Internet Home Banking email, or by calling your branch, and your Service will be canceled after Telco Community Credit Union has had a reasonable opportunity to act upon your cancellation request. You agree to use the Bank Transfer Service only for bona fide and lawful purposes. We may suspend or terminate your participation in the Service for any reason, at any time. We will try to notify you in advance, but we are not obligated to do so.

We shall have no obligation to honor any instruction, in whole or in part, that (a) is or we reasonably believe is used for any illegal or improper purpose or activity; (b) exceeds the available funds in your account; (c) we have reason to believe may not be authorized by you; (d) involves funds subject to a hold, dispute or legal process; (e) would violate any law, rule or regulation applicable to us, the Bank Transfer Service, you or any other party that processes or receives the payment; (f) is not in accordance with any other requirement stated in these Terms and Conditions of the Bank Transfer Service or Online Banking Agreement, any other applicable agreement with us, or any of our policies, procedures or practices; or (g) for our protection or yours, we have reasonable cause not to honor.

We reserve the right to refuse to honor an instruction or suspend or terminate your Service, in whole or in part, at any time, with or without cause and with or without notice, and may immediately do so including, without limitation, if: (a) we have reason to believe that your account has been compromised or mismanaged in any way, such as by unauthorized or erroneous use of your password; or (b) we believe your Service is not being used for its intended, bona fide and lawful purposes under these Terms and Conditions of the Bank Transfer Service or Online Banking Agreement; (c) you repeatedly overdraw your Telco Community Credit Union account; (d) your Telco Community Credit Union account is closed, access to your account is restricted for any reason, or if you do not use this Bank Transfer Service for a period of time after being notified by TELCO; (e) following initial enrollment you do not use the Bank Transfer Service, after being notified by TELCO, we may automatically suspend or terminate the Service, without further notice to you.

Any transfers we have already processed before the cancellation date will be completed. We recommend that you cancel any scheduled transfers prior to notifying us that you are canceling the Service. You are responsible for any transfers scheduled by you prior to termination that you have not canceled. Termination will not affect your liability or obligations under these terms and conditions of the Bank Transfer Service Agreement or the Online Banking Agreement for transfers we've processed on your behalf.

Access to Account Information for Non-Telco Community Credit Union Accounts

You understand and agree that, in order to provide the Service, it is necessary for Telco Community Credit Union to access other financial institutions', credit unions', and brokerage companies' Web sites and databases containing information regarding your accounts and financial relationships as designated by you ("Account(s)"), on your behalf, to retrieve information as requested or authorized by you. By using the Service, you agree to authorize Telco Community Credit Union to access such Account(s) to retrieve such information as requested or authorized by you, or for any other purpose authorized by this Agreement. You represent and warrant that the information you are providing us with is true, correct and complete. You represent and warrant to us that you have the right to authorize and permit us access to your Account(s), you assure us that by disclosing the information to us and by authorizing us to use such information to access your Account(s), and you are not violating any third-party rights. You hereby authorize and permit TELCO to use any information submitted by you to Telco Community Credit Union (such as account passwords and user names) to accomplish these purposes and to configure the Service to be compatible with the Account(s).

You understand and agree that at all times your relationship with each Account(s) provider is independent of Telco Community Credit Union and your use of the Service. Telco Community Credit Union will not be responsible for any acts or omissions by the financial institution or other provider of any Account(s), including without limitation any modification, interruption or discontinuance of any Account(s) by such provider.

YOU AGREE THAT TELCO COMMUNITY CREDIT UNION SHALL NOT BE LIABLE FOR ANY COSTS, FEES, LOSSES OR DAMAGES OF ANY KIND INCURRED AS A RESULT OF (1) TELCO COMMUNITY CREDIT UNION'S ACCESS TO THE ACCOUNT(S); (2) TELCO COMMUNITY CREDIT UNION'S RETRIEVAL OF OR INABILITY TO RETRIEVE INFORMATION FROM THE OTHER FINANCIAL INSTITUTION, CREDIT UNION, OR BROKERAGE COMPANY; (3) ANY INACCURACY, INCOMPLETENESS OR MISINFORMATION CONTAINED IN INFORMATION RETRIEVED FROM THE OTHER FINANCIAL INSTITUTION, CREDIT UNION, OR BROKERAGE COMPANY AND (4) ANY CHARGES IMPOSED BY THE PROVIDER OF ANY THIRD PARTY ACCOUNT.

Links to Third Party Sites

The Telco Community Credit Union Web site may contain links to other Web sites ("Linked Sites"). Such links are provided solely as a convenience for you. While Telco Community Credit Union will attempt to select and provide links to Linked Sites that it believes may be of interest to its members, Telco Community Credit Union does not screen, approve, review or otherwise endorse any content or information contained in any Linked Sites. You acknowledge and agree that Telco Community Credit Union, its affiliates and partners are not responsible for the contents of any Linked Sites, including the accuracy or availability of information provided by Linked Sites, and make no representations or warranties regarding the Linked Sites or your use of them.

No Unlawful or Prohibited Use

As a condition of using the Service, you warrant to Telco Community Credit Union that you will not use the Service for any purpose that is unlawful or is not permitted, expressly or implicitly, by the terms of this Agreement or by any applicable law or regulation. You further warrant and represent that you will not use the Service in any manner that could damage, disable, overburden, or impair the Service or interfere with any other party's use and enjoyment of the Service. You may not obtain or attempt to obtain any materials or information through any means not intentionally made available or provided for through the Service. You agree that these representations and warranties will remain in full force and effect even if this Agreement terminates for any reason.

Unauthorized Transactions in Your Consumer Accounts

Notify us **AT ONCE** if you believe another person has improperly obtained your Home Banking password. Also notify us **AT ONCE** if someone has transferred or may transfer money from your TELCO deposit account without your permission, or if you suspect any fraudulent activity on your account. If your Home Banking password has been compromised and you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your Online Banking password without your permission to access a TELCO deposit account. If you do NOT tell us within two (2) business days after you learn of the loss or theft, and we can prove we could have stopped someone from taking money without your permission had you told us, you could lose as much as \$500. Also, if your statement shows withdrawals, transfers, payments or purchases that you did not make or authorize, please notify us **AT ONCE**. If you do not notify us within sixty (60) days from the date the paper or online statement was sent to you, and we can prove that we could have stopped someone from taking money if you had told us in time, you may not get back any money lost after the sixty (60) days. If extenuating circumstances, such as a long trip or hospital stay, kept you from telling us, the time periods in this section may be extended.

In Case of Errors or Questions about Your Electronic Transactions for Consumers

In case of questions or errors about online funds transfers, Bank Transfers, or bill payments made through the Telco Community Credit Union Internet Home Banking, you should do one of the following: Send us an e-mail by filling out the appropriate e-mail form accessible after signing on with your password to a secure session. For questions or errors about Online Banking transfers between your TELCO accounts or Bank Transfers between your TELCO account and a linked external account you should click the "Services" button and select the "Questions about your account" e-mail form.

OR

Contact Home Banking Support, phone (828) 252-6458.

Contact us as soon as you identify any errors or discrepancies in your statement or transaction record, or if you need more information about a transaction listed on the statement or transaction record. We must hear from you no later than sixty (60) days after we have sent the **FIRST** paper or online statement on which the problem or error appeared. If you notify us verbally, we may require that you send us your complaint or question in writing within ten (10) business days. When you tell us about the problem, please:

- Tell us your name and account number.
- Describe the error or the transaction you are unsure about, and explain why you believe it is in error or what additional information you need.
- Tell us the dollar amount of any suspected error.
- For a Bank Transfer, tell us the sending and receiving account numbers, date the Bank Transfer was initiated, and the transfer amount.
- For a bill payment, tell us the checking account number used to pay the bill, payee name, date the payment was sent, payment amount, reference number, and payee account number for the payment in question.

We will determine if an error occurred and will tell you the results of our investigation within 10 business days (20 business days if the transfer was to or from an account within 30 days after the first deposit to the account was made) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer or transaction involved a point-of-sale transaction, a foreign initiated transfer or a transfer to or from an account within 30 days after the first deposit to the account was made) to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within 10 business days (20 business days if the transfer was to or from an account within 30 days after the first deposit to the account was made) for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint(s) or questions(s) in writing and we do not receive it within 10 business days, we may not provisionally credit your account.

We will tell you the results of our investigation within three (3) business days after 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. We may revoke any provisional credit provided to you if we find an error did not occur.

Our Liability to Consumers

If we do not complete a transfer to or from your TELCO account on time, or for the correct amount, and/or to or from the account specified according to our Agreement with you, we will be responsible, as applicable, for returning any improperly transferred funds and/or for redirecting any misdirected funds to the proper account, and may be liable for your losses or damages. However, there are some exceptions. For example, we will not be liable: If, through no fault of ours, you do not have enough available funds in your account to make a transfer, Bank Transfer, or bill payment. If a legal order directs us to prohibit withdrawals from the account. If your account is closed or if it has been frozen. If the transfer or bill payment would cause your balance to go over the credit limit for any credit arrangement set up to cover overdrafts. If you, or anyone you allow, commits any fraud or violates any law or regulation. If any electronic terminal, telecommunication device or any part of the electronic fund transfer system was not working properly and you knew about the breakdown when you started the transfer or, in the case of a recurring transfer, at the time such transfer should have occurred. If you have not provided us with complete and correct payment information, including without limitation the name, address, account number, and payment amount for the payee on a Bill Payment or external Bank Transfer. If you have not properly followed the instructions for using Telco Community Credit Union's Internet Home Banking Services, including Bank Transfer and Bill Payment. If circumstances beyond our control (such as fire, flood, computer system failure or improper transmission or handling of payments by a third party) prevent the transfer or bill payment, despite reasonable precautions taken by us. There may be other exceptions not specifically mentioned here.

We are not responsible for any Internet access, Internet Service Provider, financial software or other product or service relating to your computer or the World Wide Web or your telephone or telephone service. We are not responsible for any damage to your computer, software, modem, telephone or other property resulting from your use of the Service. Without limiting the generality of the wording above, we are not responsible for any loss, damage or injury resulting from an interruption in your electrical power or telephone service; the disconnecting of your telephone service by your telephone company or from deficiencies in your line quality; or any defect or malfunction of your computer, modem or telephone service.

Additional Information for Business Customers

By using the services offered through the Telco Community Credit Union Internet Home Banking, you acknowledge and agree that this Agreement sets forth security procedures for electronic banking transactions, which are commercially reasonable. You agree to be bound by instructions, whether authorized or unauthorized, which we implement in compliance with these procedures, unless you have given us prior notice of possible unauthorized use as described above (and we have had a reasonable opportunity to act on such notice).

You agree that we may send notices and other communications, including password confirmations, to the current address and/or e-mail address shown on our records, whether or not that address includes a designation for delivery to the attention of any particular individual. You further agree that TELCO will not be responsible or liable to you in any way if information is intercepted by an unauthorized person, either in transit or at your place of business.

You agree to keep your password secure and strictly confidential, providing it only to authorized signers on your account(s), and to instruct each authorized signer to whom you give your password that he or she is not to disclose it to any unauthorized person. You further agree to notify us immediately and select a new password if you believe that your password may have become known to an unauthorized person.

Limitation of Bank's Liability for Business Customers Only

If we fail or delay in making a transfer pursuant to your instructions, or if we make a transfer in an erroneous amount which is less than the amount per your instructions, unless otherwise required by applicable law our liability shall be limited to interest on the amount which we failed to timely transfer, calculated from the date on which the transfer was to be made until the date it was actually made or you canceled the instructions. We may pay such interest either to you or the intended recipient of the transfer, but in no event will we be liable to both parties, and our payment to either party will fully discharge any obligation to the other. If we make a payment or transfer in an erroneous amount which exceeds the amount per your instructions, or if we permit an unauthorized transfer after we have had a reasonable time to act on a notice from you of possible unauthorized use as described above, unless otherwise required by law our liability will be limited to a refund of the amount erroneously transferred, plus interest thereon from the date of the transfer to the date of the refund, but in no event to exceed 60 days' interest. If we become liable to you for interest compensation under this Agreement or applicable law, such interest shall be calculated based on the average federal funds rate at the Federal Reserve Bank in the district where TELCO is headquartered for each day interest is due, computed on the basis of a 360-day year. UNLESS OTHERWISE REQUIRED BY LAW, IN NO EVENT WILL TELCO BE LIABLE TO YOU FOR SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR ATTORNEYS' FEES, EVEN IF WE ARE ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the above limitations may not apply to you.

Exclusion of Warranties

THE BANK TRANSFER SERVICE AND RELATED DOCUMENTATION ARE PROVIDED "AS IS" WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WE SPECIFICALLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES. Some jurisdictions do not allow the exclusion of certain warranties. Accordingly, some of the above limitations may not apply to you.

Indemnity

You agree to indemnify and hold harmless Telco Community Credit Union, our subsidiaries and affiliates, successors and assigns, all officers and employees thereof, and our service providers ("Related Persons"), from any and all third party actions, claims, liability, and damages, and to be responsible for all expenses and costs (including, but not limited to, reasonable attorneys' fees) caused by or arising from your connection to or use of the Service, your violation of these terms and conditions of the Bank Transfer Service Agreement or the Online Banking Agreement, or your infringement or violation of the rights of others. The obligations contained in the preceding sentence will continue after the Service is terminated. This section does not apply to any cost or damage attributable to Telco Community Credit Union's or our Related Persons' gross negligence or intentional misconduct.

Fee Schedule

Please refer to the "Member Account Agreement & Fee Schedule".

Automated Clearing House Guidelines

ACH AUTHORIZATION AGREEMENT FOR ONLINE EXTERNAL FUNDS TRANSFERS

You hereby authorize Telco Community Credit Union ("Company" "we" "us" "our) and our processing agents, to debit and credit entries to your eligible Telco Community Credit Union account(s) when you instruct us to electronically transfer funds to or from your eligible Telco Community Credit Union account(s) and other eligible account(s) held by you at another financial institution or brokerage company in the United States. You agree to comply with any applicable state or federal law in connection with your use of the Service and the fulfillment of its obligations under this Agreement. You further acknowledge that the Automated Clearing House ("ACH") system may not be used in violation of, and that entries originated by you must comply with the laws of the United States, including sanctions laws administered by the Office of Foreign Asset Controls.

This authorization is to remain in full force and effect until we have received notice from you of its termination by performing one of the following:

Send us an e-mail by filling out the appropriate e-mail form accessible after signing on with your password to a secure session. For questions or errors about Online Banking transfers between your TELCO accounts or Bank Transfers between your TELCO account and a linked external account you should click the "Services" button and select the "Questions about your account" e-mail form.

OR

Contact Online Banking Support, phone at **(828) 252-6458**.

OR

By signing into the Telco Community Credit Union Internet Home Banking at www.telcoccu.org, selecting the Overview page under the Bank Transfer Service," clicking the CANCEL link (next to the transaction) for the debit, at least 3 business days before the date of the debit or next scheduled debit by us to the eligible Telco Community Credit Union account(s). This authorization may only be revoked in this manner.

When you elect to sign-up for the Online Banking Bank Transfer Service and click the "I Accept" button, you represent that you have full authorization from any other authorized signer on the eligible TELCO account(s) to execute this authorization on his/her/its behalf and that any other authorized signer on the eligible Telco Community Credit Union account(s) agrees and understands that we, and any of our processing agents, are

authorized to debit and credit entries to the eligible Telco Community Credit Union account(s) in accordance with your transfer instruction(s).

UNIFORM COMMERCIAL CODE FUNDS TRANSFERS AGREEMENT AND DISCLOSURE

- Summary and Definitions.** The following rules shall apply to all wire transfers services provided by the Credit Union. This Wire Transfer Agreement supersedes any inconsistent terms contained in any other or prior agreements and any previous Wire Transfer Notice or Request. This Agreement governs the movement of funds by means of funds transfers defined in Article 4A of the Uniform Commercial Code, Subpart B of Regulation J of the Board of Governors of the Federal Reserve System (generally referred to as "Fedwire" or "wholesale" wire transfers), and as may be applicable the operating rules for the National Automated Clearing House Association ("NACHA"). This Agreement does not apply to any transaction or any part of any transaction governed by the Electronic Funds Transfer Act and Regulation E. Further, to the extent that this Agreement varies any provision of Article 4A, Regulation J or the operating rules of NACHA, this Agreement shall govern, except where specifically prohibited by applicable law. This Wire Transfer Agreement is subject to modification, amendment and/or termination upon the lesser of five days' written notice to you or such other notice specifically required by applicable law.
- Services Available.** You authorize us to transfer funds in accordance with your request(s) to and from your account(s) with us, or to and from another institution. Transfers shall be made according to any security procedures we deem appropriate or as specifically agreed upon as provided herein. We may debit any of the accounts you designate as a source of payment for funds transfers and any related fees and service charges. We will have no obligation to accept or execute any payment order if (1) the account(s) from which it is to be made does not contain sufficient available collected funds; (2) the payment order is not authorized or does not comply with applicable security procedures; or (3) acting in good faith we have reasonable cause for rejecting the payment order. We may also accept on your behalf payments to your account(s); and such transfers shall be subject to the terms in this Section and in this Membership Agreement.
- Person(s) Authorized to Make Transfers.** You agree that you, any joint owner of an account, or any person authorized by a written instrument by you or any joint owner, that is acceptable to us, may initiate, request, cancel, amend or verify transfers on your account(s). We may rely on the authority of any person(s) designated by you or any joint owner until we receive written notice revoking or modifying that authority.
- Security Procedure(s).** When a payment order is issued by a member, the Credit Union's security procedure may involve use of identification methods that may include photo identification requirements, signature verification, data/password verification, use of a personal identification number, and/or callback procedure by us. In certain situations, some or all of the above may be required. You agree that the security procedures established hereunder which we elect to utilize in any particular transaction are commercially reasonable and you agree to comply in all respects with such procedures. You may choose not to allow outgoing funds transfers on your accounts by informing us in writing, in person, or by phone, and we shall honor such request if given within a sufficient time on a business day to allow us to accommodate the request. If you have chosen not to allow funds transfers on your account, you may reinstate the service by contacting us in writing, in person, or by phone. You authorize us to record any telephone communications regarding any transfer order, which we may maintain for any period of time we deem appropriate.
- Time Limitations for Acceptance of Orders.** We may establish and change cut-off times for the receipt and processing of funds transfer orders, amendments or cancellations. Our transfer business days and cut-off times are before 4pm eastern time each business day, as amended from time to time. Transfer orders, cancellations or amendments received after the cut-off time may be treated as received on the next following funds transfer business day, and processed accordingly. Your request for transfer(s), amendment(s) and cancellation(s) is considered accepted when executed by us.
- Cancellation or Amendment of Transfer Request(s).** You may not be able to cancel or amend a request after it is received by us. However, we may, in our sole discretion, use reasonable efforts to act on your request for cancellation or amendment. Any request for cancellation or amendment is subject to applicable security procedure(s). We shall have no liability if such cancellation or amendment is not effected. Furthermore, you agree to indemnify and hold us harmless from any and all liabilities, costs and expenses we may incur in attempting to cancel or amend any transfer. The Credit Union may terminate this agreement with or without cause by giving thirty (30) days prior written notice. Notwithstanding the foregoing, we may terminate this agreement immediately at any time upon telephone notification to you if (i) we reasonably deem the Credit Union insecure; (ii) you have breached this agreement; or (iii) we become aware of information which may indicate illegal or improper transactions. In addition, we require thirty (30) days notice from you to discontinue a "recurring funds transfer" that was previously authorized by you.
- Member Instructions Identifying Beneficiary or Financial Institution.** You acknowledge and agree that when you provide us with the name and account number when requesting a transfer, that payment may be made solely on the basis of the account number even if the account number identifies a beneficiary different from the beneficiary named by you. Further, payment instructions identifying a beneficiary's financial institution name, routing and transit number may result in payment solely on the basis of the routing and transit number even if the name of the institution does not correspond to said numbers. You further agree that your obligation to pay the amount of the wire transfer to us is not excused in such circumstances. Likewise, wire transfers received by us for your benefit may be paid by us solely on the basis of account number.
- Account Statements and Notices.** All transfers subject to this Agreement will be reflected on your periodic account statement(s). Notification of receipt of all such transfers will be provided by including such item in the periodic account statement(s) we provide to you. You may inquire whether a specific transfer has been received at any time during our normal business hours.

You agree to review each statement or other notice for any discrepancies in connection with transfers. If you think a transfer is not authorized, wrong, or if you need more information about a transfer, you must contact us in writing upon discovery of the error or within 30 days after you receive the first notice or statement that reflects the discrepancy you allege, whichever is earlier. Failure to do so will relieve us of any obligation to pay interest or otherwise compensate you for the amount of any unauthorized or erroneous transfer.

- Method Used to Make the Wire Transfer.** We may select any means for the transmission of funds we consider suitable, including but not limited to the Credit Union's own internal systems or Fedwire. Any subsequent financial institution may also use Fedwire. Any use of Fedwire shall be governed by applicable Fedwire regulations. The Credit Union is not responsible for performance failure as a result of an interruption in transfer facilities, labor disputes, power failures, equipment malfunctions, suspension of payment by another party, refusal or delay by another financial institution to accept the transfer, war, emergency conditions, fire, earthquake or other circumstances not within our control.
- Limitation of Credit Union's Liability.** In addition to any defense or exception from liability provided in under applicable law, we shall only be responsible for performing the funds transfer service provided in this agreement pursuant to the instruction you give (when acceptable to us and under applicable law) and shall be liable only for our failure to act with "ordinary care" or we if act with willful misconduct, which failure or willful conduct is the proximate cause of such liability. However, our liability in any such case shall be limited to actual damages; and in no matter or case shall we be liable for any special, indirect, exemplary, consequential or punitive damages (including lost profits). Further, we shall in no case be responsible for the payment of any attorneys' fees or other legal expenses. If we become obligated to pay dividends to you under applicable law, you agree that the dividend rate shall be equal to the dividend rate applicable to the account on which the transfer was made. If you make a request which instructs us to wire funds to any foreign country, we have no liability arising or relating to length of time necessary to complete such transactions provided we have acted with ordinary care; and without willful misconduct.
- Your Liability to the Credit Union.** You shall be liable to us for and shall indemnify and hold us harmless from any and all claims, causes of action, damages, expenses (including reasonable attorney's fees and other legal expenses), liabilities and other losses resulting from acts, omissions, or provision of invalid or inaccurate data by you.
- Provisional Payment.** We may in our sole discretion give you a credit for automated clearing house (ACH) payments or wire transfers before we receive final settlement of the funds transfer. We reserve the right to reject any such payment or transfer without liability to you. Any such credit is provisional until we receive final settlement. If we do not receive such settlement, we are entitled to a refund from you in the amount provisionally credited.
- We will charge you fees and you agree to pay for the services in this Wire Transfer Agreement as set forth in the Schedule; and as otherwise set forth herein and in this Membership Agreement.

TELCO COMMUNITY CREDIT UNION SAFE DEPOSIT BOX LEASE AGREEMENT

Please read the Agreement carefully, and keep it in a safe place. If more than one person signs, each will be liable to fulfill the obligations spelled out in this Agreement. In this Agreement, the words, "you" and "your" refers to all individuals who sign this Agreement or the Safe Deposit Box Signature Card. The words "we", "our" or "Credit Union" refer to Telco Community Credit Union. The word "safe" means your safe deposit box. Further, you agree that the terms and conditions of your Membership Agreement also govern this service, except as specifically modified by this Agreement. If specifically required and not otherwise altered by the terms herein, any State Law notices or disclosures provided herein will govern as to any other terms or conditions that may be inconsistent with the State Law notices only as to safe deposit box services physically provided in such State.

Lease Terms. You agree to lease the safe deposit box *described in the Safe Deposit Box Signature Card* for the period of one year from the date of this Lease. At the end of that time, this Lease may, in the Credit Union's discretion, be renewed automatically from year to year, unless you notify the Credit Union in writing at least 30-days before the Lease is due to expire that you do not want to renew; or unless the Credit Union decides to cancel your Lease at any time. You agree to pay the first year's annual rental fee and the fees for each yearly renewal on the annual "Billing Date" set forth in your Safe Deposit Box Signature Card. All rents for safe deposit boxes are payable in advance. In the event that you fail to pay rent to the Credit Union, we shall have the right to refuse access to the safe deposit box until all past due rents and charges are paid. The Credit Union shall also retain all other rights and remedies herein and pursuant to the laws of the State of North Carolina. This contract of renting shall be considered as renewed from year to year on the same terms of rental unless you are notified by the Credit Union of a change in the terms and conditions prior to renewal. Rents for safe deposit boxes are for an annual period, and are not pro-rated when opening or closing a lease for less than a 365-day period. No refunds will be made on the safe deposit box should you decide to terminate the lease prior to the end of any annual lease term.

Using Your Safe. You acknowledge receiving the number of keys *stated in your Safe Deposit Box Signature Card* for your safe. You agree to protect these keys and return them to the Credit Union if your Lease is terminated. If you lose a key, you understand that you will have to pay a fee for replacement. You also understand that if you lose all keys, you will have to pay a fee to replace the lock on your safe. These fees cover the costs of materials, travel, and labor. You agree to observe the regular business hours and procedures the Credit Union sets if you want to open your safe. The vault shall be closed on Saturdays and Sundays, and all legal holidays, including days on which the Credit Union is not open for business. Further, the Credit Union may close the vault for the protection of safe deposit box owners and depositors in the event of fire, riots, or other emergency, or for any other reason when the Credit Union deems such closing to be prudent or proper. For your own protection, each time you want to open your safe you must present your key, such identification as we deem appropriate and sign a request so the Credit Union can check your signature.

If a key is lost, you must give immediate notice to the Credit Union and bring any remaining keys to the Credit Union's office. All keys remain the sole property of the Credit Union. Keys shall be returned to the Credit Union upon surrender of your safe deposit box or other termination of this contract. The Credit Union shall not retain keys that open any rented safe deposit box and its contents will remain at all times unknown to the Credit Union, except as expressly provided in this Agreement or by applicable law.

ALTERNATE CODE AND BIOMETRICS ACCESS PROVISION:

Key, Code and Biometrics Access Provision: Credit Union will provide physical access to the leased safe to authorized persons identified in the Safe Deposit Box Signature Card through traditional access using a key or code; or through the use of "hand scan authentication" for access through the Credit Union's security system to access the vault, together with the use of: (1) a safe code or (2) a key to access your leased box. Access via a hand scan will not require a vault custodian, Credit Union employee or any other person. Access at some Credit Union facilities may be limited to any one or other devices as changes are made from time to time. You agree to the use of such devices, and will cooperate with the Credit Union in implementing any new devices or changes to existing devices.

Using Your Safe and Security of Keys / Codes. You acknowledge receiving a code or the number of keys stated in your Safe Deposit Box Signature Card. You agree to protect your code or keys and return all keys to the Credit Union if your Lease is terminated or surrendered. If you lose a key, you understand that you will have to pay a fee for replacement. You also understand that if you lose all keys, you will have to pay a fee to replace the lock on your safe. These fees cover the costs of materials, travel, and labor. You agree to observe the regular business hours and procedures the Credit Union sets if you want to open your safe. The vault shall be closed on Saturdays and Sundays and all legal holidays, including days on which the Credit Union is not open for business. Further, the Credit Union may close the vault for the protection of safe deposit box owners and depositors in the event of fire, riots, or other emergency, or for any other reason when the Credit Union deems such closing to be prudent or proper. For your own protection, each time you want to open your safe at a facility that does not provide "hand-scan access" to the safe deposit box vault, you must present your key (if applicable), and/or such identification as we deem appropriate and sign a request so the Credit Union can check your signature. If a key or code is lost, you must give immediate notice to the Credit Union. If any keys are lost you must bring any remaining keys to the Credit Union's branch office, or as otherwise directed. All codes and keys remain the sole property of the Credit Union. The Credit Union shall not retain/possess codes or keys that open any rented safe deposit box and its contents will remain at all times unknown to the Credit Union, except as expressly provided in this Agreement or by applicable law.

Ownership, Survivorship and Limitations on Access. At our discretion, we may allow a safe deposit box to be leased by such number of multiple individual tenants as we may in our sole discretion allow. If more than one of you leases a safe deposit box, the safe deposit box is a joint safe deposit box and all tenants are joint tenants with right of survivorship. If you are a business, joint safe deposit boxes are not permitted. Each tenant has equal powers with respect to the safe deposit box and, upon the death of one joint tenant, all rights with respect to the safe deposit box are vested in the surviving tenants, unless otherwise provided by law. For example, unless a restriction is noted on the Membership Application or agreements accepted by us – any tenant can change the address to which notices or statements are sent, add or remove contents, close the box, appoint an agent or terminate the lease. Your liability on a joint safe deposit box is joint and several, which means we can enforce this Agreement against one, some or all of you.

A joint tenant may be added to a safe deposit box at any time as long as all tenants execute a new safe deposit signature card. Similarly, a joint tenant may be removed at any time as long as we are provided with a certified copy of the tenant's death certificate and all remaining tenants execute a new safe deposit signature card. Otherwise, a joint tenant's name may not be removed; the joint safe deposit box must be closed and a new safe deposit box leased. Upon the death of a joint tenant, the rights of the surviving joint tenants to the safe deposit box will not be limited unless otherwise provided by a specific court order or a specifically applicable law that limits such and which expressly takes precedence over the rights of survivorship and agreements between the owners to such safe deposit box herein. If state law requires additional acts or documents, we will not release any contents in the box upon the death of a joint tenant until such acts are performed or documents are provided. Upon the death of a joint tenant, the legal representative of the deceased joint tenant's estate is not permitted to have access to a joint safe deposit box if there are one or more surviving joint tenants without a court order. Only a surviving joint tenant may have access to a joint safe deposit box. Upon the death of the last surviving tenant, the legal representative of that tenant may remove all contents and terminate the lease of the safe deposit box, except as otherwise provided.

When a safe deposit box is rented by two or more persons and it is provided that two or more of the owners must be present to gain access, then none of the owners shall have access to the safe deposit box except as expressly provided in the signature card, unless the Credit Union is otherwise directed in a written document acceptable to the Credit Union. In addition, no person will be permitted to enter the vault except in the presence of a Credit Union vault custodian or in compliance with such procedures as the Credit Union may establish from time to time.

The Credit Union may refuse access to any owners pursuant to any court order, other legal notice or when we otherwise deem it to be in our best interests to do so. In the event of any dispute (between owners or otherwise), or if legal proceedings are instituted relating to your safe, this Lease or the parties to this Lease, the Credit Union may deny access to the safe until such proceedings are resolved to the Credit Union's satisfaction, without any liability whatsoever for, relating to or arising from the denial of access.

Safe deposit boxes must not be left unlocked at any time. Your safe deposit box may not be opened or papers examined within the vault, but only in an area provided for such purposes. You must remove and replace your own box. Should an attendant handle a box at the request of a renter, the Credit Union assumes no liability in connection therewith.

Items Protected. You understand that your safe is intended to provide protection for securities, jewelry, precious metals, and valuable papers only. You agree that the Credit Union's responsibility respecting these valuables is limited to the use of ordinary care. You further understand that the Credit Union does not insure the contents of your safe. You should insure the value of all items in your safe as you deem prudent as the Credit Union does not represent or guaranty to you that any safe deposit box can be or is fully protected from Acts of God, Fire, Water or Illegal Entry. You agree not to use your safe for any other purpose. If you do, the Credit Union will not be responsible for the loss or destruction of any property kept in your safe, including money. You specifically agree that you will not use your safe for any dangerous or unlawful purpose. Any property left outside the safe is solely at your risk.

Terminating This Agreement. You can terminate this agreement at any time by notifying the Credit Union in writing. You must then empty your safe and return all keys to the Credit Union. The Credit Union can, in its sole discretion, also terminate this agreement at any time and require you to remove the contents of your safe and return all keys. We will give the Member/Safe Owner at least 30-days advance notice in writing by mail sent to the address set forth in your Safe Deposit Box Signature Card.

Refunds. If the Credit Union terminates this Lease, you may, in the Credit Union's sole discretion, receive a refund of any prepaid rental for the unexpired time of your Lease. If you terminate the Lease, the Credit Union may not refund any prepaid rents. However, if you terminate the Lease within 30-days from the date of any notice from us of increased charges for use of the safe, you will receive a refund of any prepaid rental for the lease period covered by the new rate.

Removal of Contents. Under this Agreement, the Credit Union retains all rights and remedies given to those who provide safe deposit facilities under the applicable North Carolina and Federal laws. This includes the right to break open your safe and remove and dispose of the contents if you are more than one year behind in paying your rent, or if you do not empty your safe and return the keys to the Credit Union within 30 days after the Credit Union terminates this agreement, whichever is earlier.

If you do not pay the rental due or remove the contents of your safe within this 30-day period, the Credit Union has the right to open your safe at any time, make an inventory of the contents, and remove them. We will send you a copy of the inventory within 10 days, along with a notice that the contents will be kept for two years at your expense. You can claim the contents of your safe at any time during the two-year period. But you must pay all rentals due and the cost of opening the safe and any safekeeping charges that may have accumulated since the safe was opened. If you do not claim the contents, the Credit Union can sell the contents of your safe to pay your debts to the Credit Union. The Credit Union will notify you thirty (30) days before the sale is to take place, and provide you with the time and location of the sale, and the total amount you owe. If the total amount is not paid before the date of the sale, the Credit Union will sell the contents of your safe at public auction. Any proceeds remaining after the Credit Union pays your debt will be paid to the North Carolina Department of Revenue and Taxation or as otherwise required by applicable law. The Credit Union has no obligation to seek or obtain any certain value or price for any item(s) in your box, and the Credit Union's sole duty shall be to sell the items for whatever price may be paid at an auction held pursuant to applicable law or this Agreement.

Transferring Your Safe. You may transfer your safe deposit account during the term of this Lease to another branch, provided that branch has safes available for rent. You must request a transfer, return all keys to your current safe, and move the contents of the safe to the new location yourself. The new safe may have a different annual rental rate. If the Credit Union decides to close or move the branch where your safe is located or otherwise relocate your safe to another Credit Union facility, the Credit Union may move the safe, the contents, or both to a new location after giving you at least 15-days advance notice in writing.

Changing This Agreement. You understand that the Credit Union may change the terms of this Agreement. The Credit Union will notify you beforehand if the change restricts your rights. The Credit Union will send any notices to the address provided in your Safe Deposit Box Signature Card. It will be up to you to notify the Credit Union if that address changes. Any notice by the Credit Union is deemed given when mailed. If a change would not restrict your rights - for example, an extension of safe deposit hours, the Credit Union will not send you a notice but will post a notice in the Credit Union.

Important Notice. (1) The Contents of your safe deposit box are not protected against loss under the insurance coverage maintained by the Credit Union; (2) For your protection, you may wish to secure your own insurance through an insurance company of your choice; and (3) You should keep a complete list and description of all property stored in your safe deposit box, and any available proof of ownership.

Limited Liability. It is expressly agreed that this Lease is not construed to establish any relationship of bailor and bailee between you and the Credit Union, and the Credit Union has no knowledge of and exercises no supervision over the deposit, examination, or removal of any property at any time contained in your safe deposit box. You assume all risks arising out of the deposited properties or securities in the safe deposit box except that the Credit Union will be responsible for its own willful injury to the property or securities. The fact that property or securities may be missing shall not create an inference of negligence on the part of the Credit Union. Further, you expressly waive every presumption of law that any loss shall have occurred through the Credit Union's negligence, and agree that the Credit Union shall not be liable for any loss sustained by you unless the loss was caused by some specific, clearly proven, and willful act of the Credit Union. The Credit Union shall not be liable for any act or admission of persons not employed by it, or for any loss or damage caused by the failure of the vault doors or locks to properly operate, or your failure to return and lock your safe deposit box. Further, you expressly agree that the Credit Union has no liability to you, your heirs or assigns with regard to the exercise of any rights under this agreement or applicable law, including but not limited to: (1) opening, removing, closing, selling the contents of a safe, and/or the distribution of the proceeds of any sale of contents hereunder; (2) allowing any joint owner or their authorized agent's use, deposit or removal of any items from the box where there is some event, agreement or other limitation to such access that is not actually known to the Credit Union; or (3) otherwise any action or inaction by the Credit Union where the Credit Union is acting in good faith.

Renters Liability and Lien. You shall pay all costs, including reasonable attorneys' fees, and expenses incurred by the Credit Union in enforcing the covenants of this Lease. Any expense incurred by the Credit

Union in opening and repairing the safe occasioned by damages caused by you, your loss of keys, the making of new keys, the replacement of locks, or your failure to surrender keys shall be charged to you. You also grant us a lien upon the contents of your safe for all rents and your other obligations to us under this Agreement.

Indemnity. If you ask the Credit Union to follow instructions that we believe might expose us to any claim, suit, loss, expense, liability or damage, whether direct or indirect, the Credit Union may refuse to follow your instructions and may require a bond or other protections.

Waiver. The Credit Union may waive any of these provisions; however, the waiver will apply only to that occasion and not any other(s).

Appointment of Deputy/Power of Attorney. Pursuant to the unique trust and security issues related to a safe deposit box, you may authorize only one other person as deputy to handle all business concerning your safe (for all owners). If there is more than one owner of the safe, any appointment of a deputy or an attorney-in-fact must be authorized by all owners. All appointments of a deputy or authorization pursuant to a power of attorney must be in writing, and in a form acceptable to the Credit Union. Any such authorization shall continue until canceled by receipt of written notice to the Credit Union. Further, you agree that we shall have no liability whatsoever for any actions by you, the deputy or the attorney-in-fact. Further, the Credit Union has no obligation to accept any power of attorney, or to continue acceptance thereof.

Miscellaneous. In this Agreement, except as otherwise indicated, the singular includes the plural and masculine includes the feminine and the neuter. Further, this agreement or any claim or dispute arising hereunder shall be construed in accordance with and governed by the laws of the State of North Carolina. If any law or judicial ruling renders any term or condition of this agreement unenforceable, the remaining terms and conditions shall remain in full force and effect. Except as specifically provided herein, changes to any term or condition of this agreement can only be made with the express written consent of the Credit Union and must be documented on a form approved by us. This agreement contains all terms, conditions, and understandings of the parties; however, the Credit Union may change any term or condition as provided herein.

ALL SAFE DEPOSIT BOX RENTAL FEES SHALL BE AUTOMATICALLY DEBITED ANNUALLY FROM THE MEMBER'S PRIMARY SHARE ACCOUNT OR OTHER ACCOUNT AS DESIGNATED BY THE SAFE BOX OWNER ON THE BILLING DATE UNTIL THIS AGREEMENT IS TERMINATED.

FUNDS AVAILABILITY DISCLOSURE WHEN YOUR FUNDS ARE AVAILABLE FOR WITHDRAWAL

This disclosure applies to all "transaction" accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Checking accounts are the most common transaction accounts. Feel free to ask us whether any of your accounts are covered by these rules. Further, this is a summary; you will need to review the Credit Union's entire Funds Availability Policy to fully understand when funds may be available from certain deposits.

Funds "availability" means your ability to withdraw funds from your account, whether those withdrawals are to be in cash, by check, automatic payment, or any other method we offer you for access to your account. If deposited funds are not "available" to you on a given day, you may not withdraw the funds in cash and we may not use the funds to pay items that you have written or honor other withdrawals you request. If we pay items that you have written or honor other withdrawals before funds are available to you, we may charge a fee for this.

Our general availability policy is to make funds available to you immediately on the same day we receive your deposit. We generally make some portion of a day's deposit available for withdrawal immediately.

Paper Checks: In some cases involving paper checks, we will not make all of the funds that you deposit available to you as provided above. The first \$225 of your deposits, however, will generally be available no later than the first business day after the day of deposit, and usually immediately. If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit; or soon after as reasonably practical. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees (including a deposit made at an ATM) or if we decide to take this action after you have left the premises, we will mail 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.

The length of delay is counted in business days after the business day of deposit. Every day is a business day except Saturdays, Sundays, and Federal/Credit Union holidays. If a deposit is made at a staffed teller station during any working day before close of business on a day the Credit Union is open, the Credit Union will consider that day to be the day of deposit, otherwise, the Credit Union will consider that the deposit was made on the next business day the Credit Union is open.

Longer Delays May Apply

Availability may be delayed for longer periods under the following circumstances:

- The Credit Union believes a check will not be paid.
- Deposited checks total more than \$5,525 on one day.
- Returned unpaid checks are re-deposited.
- An account has been overdrawn repeatedly in the last six months.
- Emergencies, such as failure of communications or computer equipment.
- New Accounts

The Credit Union will notify affected members if the Credit Union delays their ability to withdraw funds for

any of these reasons. The Credit Union will tell affected members when the funds will be available, which generally will be no later than the ninth business day after the day of deposit.

When the Credit Union Will Pay Interest on Deposits

The Credit Union will begin to accrue interest on deposits to interest-bearing accounts on the day the Credit Union receives the deposit. Deposits are considered deposited on the same day when received at a teller station or proprietary ATM. They are considered deposited when they are removed from night depositories, lock boxes, and nonproprietary ATMs. When deposits are sent through the mail, they are considered deposited when received by the Credit Union.

Deposits at Automated Teller Machines

Our Machines. If you make a deposit at an ATM identified as ours with Telco Community Credit Union name, your deposit will generally be available on the first business day after the day of deposit.

Foreign Checks Will Not Be Accepted

Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed in the same as check drawn on U.S. financial institutions, therefore, will not be accepted.

TRUTH-IN-SAVINGS ACT DISCLOSURE Share and Checking Accounts

1. **Rate Information.** The dividend rate and Annual Percentage Yield ("APY") on your accounts are set forth in the Truth-in-Savings Act Rate and Fee Schedule ("Schedule") provided with this Booklet. The dividend rate and APY may change each dividend period as determined by the Credit Union's Board of Directors.

2. **Compounding and Crediting.** Dividends will be compounded and will be credited as set forth in the Schedule. The Dividend Period ("period") for each of your accounts is set forth in the Schedule. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. If your account is closed or you make a withdrawal during a dividend period before dividends are credited, you may not receive accrued but uncredited dividends.

3. **Balance Information.** Any minimum deposit to open an account, and the minimum average daily balance you must maintain to avoid service fees and to earn the annual percentage yield stated for your account is set forth in the Schedule. Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in your account for the Period. The average daily balance is calculated by adding the balance in your account for each day of the Period and dividing that figure by the number of days in the Period. If balance falls below \$2,500 any time during the statement cycle, interest/dividend for that period will drop to the regular share interest/dividend.

4. **Accrual of Dividends.** Dividends will begin to accrue on the business day we receive provisional credit for the deposit of noncash items (e.g. checks) to your account. Dividends will begin to accrue on cash deposits on the business day you make the deposit to your account.

5. **Transaction Limitations for All Share Savings Accounts.** Limitations are set forth in the first Section of this Booklet entitled "Membership, Accounts and Account Services Agreement." **Additional Limitations for IRA Savings Accounts:** You are solely responsible for complying with any requirements including transaction limitations and penalties for early withdrawal under the Internal Revenue Code or other applicable Federal or State law governing any IRA or other Credit Union accounts. Deposits are not limited. Transfers to a Credit Union IRA Certificate are allowed subject to applicable law; and the minimum balance requirements and other restrictions applicable to the Certificate Account.

TERM SHARE CERTIFICATE ACCOUNTS (Share Certificate and IRA Certificate Accounts)

1. **Rate Information.** The dividend rate and annual percentage yield on your account are stated in the Schedule and/or your Term Share Certificate. The annual percentage yield reflects the dividends to be paid on your account based on the dividend rate and the frequency of compounding for an annual period. For Fixed Rate Share Certificate and Fixed Rate IRA Certificate Accounts the dividend rate and annual percentage yield are fixed and will be in effect for the term of the account. For Variable Rate Share Certificate and Variable Rate IRA Certificate Accounts the dividend rate and annual percentage yield are variable and may change each dividend period based on the determination of the Credit Union's board of directors. The annual percentage yield assumes that dividends will remain on deposit until maturity. Any withdrawals will reduce your earnings.

2. **Compounding and Crediting.** Dividends will be compounded and credited as set forth in the Schedule. The Dividend Period ("period") for each account is set forth in the Schedule. The period begins on the first calendar day of the period and ends on the last calendar day of the period.

3. **Minimum Balance Requirements.** The minimum opening deposit required to open any Term Share Certificate Account is set forth in the Schedule. You must maintain an average daily balance equal to or greater than the minimum opening deposit to earn the annual percentage yield and avoid any service charges set forth in the Schedule.

4. **Balance Computation Information.** Dividends compound and are credited on frequencies of monthly, quarterly or at maturity. The frequencies vary with term certificates. Accounts using the Daily Balance method are Regular Membership Share, Special Savings, Astro Kids Club, Movers and Shakers Club, Credit Union Connection Accounts, Christmas Club, Vacation Club, and IRA Share Accounts. Dividends are calculated by applying a daily periodic rate to the balance in the account each day. For accounts using the Balance method, dividends are calculated by applying a periodic rate to the average daily balance in the account for the dividend period. The average daily balance is calculated by adding the balance in the

account for each day of the period and dividing that figure by the number of days in the period. The Preferred Money Market Account pays dividends using the Daily Balance Method.

5. **Accrual of Dividends.** Dividends will begin to accrue on the business day we receive provisional credit for the deposit of noncash items (e.g. checks) to your account. Dividends will begin to accrue on cash deposits on the business day you make the deposit to your account. Once dividends are credited to a certificate account, it becomes principal. If you close your Certificate account before any dividend is credited, you will not receive accrued but uncredited or unpaid dividends.

6. **Transaction Limitations.** In addition to any other applicable limitations described in this Booklet, after a Term Account or an IRA Certificate Account is opened, you may not make deposits into the account before maturity. You may not make withdrawals of dividends from your account before maturity unless at account opening you arrange for dividend payments, if allowed by the Credit Union.

7. **Maturity Date.** Your account will mature on the date stated in your Certificate or any Renewal Notice the Credit Unions provides to you.

8. **Early Withdrawal Penalties – All Certificate Accounts.** You have agreed to leave the principal of this account on deposit for the full term stated in your Certificate. If all or part of the principal is withdrawn before the maturity date, the Credit Union may charge you a penalty. Withdrawal of the principal amount of your Certificate may be made only with the consent of the Credit Union. Early withdrawal penalties are set forth in the Truth in Savings Rate & Fee Schedule and subject to change from time to time. The penalty will be calculated at the rate paid at the time of the deposit. The early withdrawal penalty may exceed the actual dividends paid and could result in further reduction of the principle balance of your certificate. The Credit Union may grant a premature withdrawal request without penalty or with a reduced penalty in the event of the owner's death or legal incompetence.

9. **Renewal Policy.** Unless you instruct the Credit Union otherwise, your certificate account will automatically renew at maturity. You will have a grace period of ten (10) business days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty. However, the Credit Union reserves the right to give the owner written notice that the account will not be renewed. In the latter case, upon maturity, the account will be converted to a regular share account and receive earnings at the rate then paid on regular share deposits. The rate of earnings for any renewal terms, shall be at the rate the Credit Union is then offering on the same accounts in this class. If you instruct us not to renew your account, then no dividends will be paid after the stated maturity date.

10. **Partial Withdrawal.** No partial withdrawal will be permitted at any time that would result in a principal balance of less than the required minimum opening deposit.

COMMON FEATURES OF ALL ACCOUNTS

1. **Nature of Dividends.** The Credit Union pays dividends from current income and available earnings, after required transfers to reserves at the end of the dividend period, thus dividends are not guaranteed. The Dividend Rate and Annual Percentage Yield set forth in the Schedule are prospective rates and yields the Credit Union anticipates paying for the applicable dividend period.

2. **National Credit Union Share Insurance Fund.** Member accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund.

3. **Limitations on Maximum Shares Held by One Member.** The Credit Union's Board of Directors may limit the maximum amount of shares one member may hold by resolution, which they may set or change from time to time.

4. **Transfer and Assignment.** OWNERSHIP OF AN ACCOUNT IS NOT TRANSFERABLE WITHOUT THE WRITTEN CONSENT OF THE CREDIT UNION. The Credit Union may, before giving its consent, use any of the funds in this Account to repay any debt due it from any named Account owner. Your Accounts may be pledged to secure your existing or future obligations owed to this Credit Union.

5. **Fees and Charges.** The fees and charges set forth in the Schedule may be assessed against your account(s).

6. **Par Value Requirements.** The Par Value of a membership share, which must be fully paid to become a member or maintain membership or to receive and maintain any accounts or services with us is set forth in the Schedule. The sum of your membership share shall be paid into and retained in your share savings or other appropriate account.

7. **Transaction Limitation on All Accounts.** No member may withdraw any amount on deposit below the amount of their primary or contingent liability to the Credit Union if they are delinquent as borrower, co-maker, or guarantor, without the Credit Union's written permission. Further, if your account(s) are pledged to us to secure any loan obligation, then you must pay, or, with our permission, renew the loan before any principal or dividends may be withdrawn or transferred. If we allow you to renew a loan secured by such a pledge, you may be required to renew any pledged account or leave the funds on deposit with us until the loan is paid or we specifically release the funds.

MOBILE BANKING SERVICES

This is an addendum ("Addendum") to your Membership & Account Agreement ("Agreement"), and sets forth additional terms and conditions for use of the Mobile Banking Services ("Mobile Banking") offered through Telco Community Credit Union to you. Except where modified by this Addendum, the Agreement remains in effect. Terms defined in the Agreement that are not defined in the Addendum have the same meaning here. This Addendum and the Agreement constitute the entire agreement between us and you relating to Mobile Banking, supersede any other agreements relating to Mobile Banking, and may only be amended as

provided in the Agreement. If there is a conflict between Agreement and this Addendum, the terms in this Addendum will govern your use of Mobile Banking.

I. ACCEPTANCE OF ADDENDUM

A. Accepting this Addendum.

By using Mobile Banking via Mobile Web, Mobile App, and/or by providing the verification code to complete your enrollment in Mobile Text, you agree to this Addendum.

B. Description of Services.

Mobile Banking is a personal financial account management service that allows you to view balances and recent account activity, and conduct certain Transactions using compatible and supported mobile phones and/or other compatible and supported wireless devices (collectively, "Mobile Devices"). Telco Community Credit Union Mobile Banking includes Short Message Service (SMS)/Text Banking ("Mobile Text"), Wireless Application Protocol (WAP) Banking ("Mobile Web") and Mobile Application Banking ("Mobile App").

We reserve the right to modify the scope of the Mobile Banking Services at any time. We reserve the right to refuse to make any Transaction you request through Mobile Banking. You agree and understand that Mobile Banking may not be accessible or may have limited utility over some mobile networks, such as while roaming. The most up-to-date list of Services which you may be able to access through Mobile Banking is posted on our website at www.telcoccu.org.

C. Use of Services.

You accept responsibility for making sure that you understand how to use Mobile Banking before you actually do so, and then that you always use Mobile Banking in accordance with the online instructions posted on our website. You also accept responsibility for making sure that you know how to properly use your Mobile Device and the Mobile Banking software ("Software"). We may change or upgrade Mobile Banking from time to time. In the event of such changes or upgrades, you are responsible for making sure that you understand how to use Mobile Banking as changed or upgraded. We will not be liable to you for any losses caused by your failure to properly use Mobile Banking or your Mobile Device. From time to time, Telco Community Credit Union may develop additional Mobile Banking Services. When such services are developed, you will have the opportunity to add them to your Telco Community Credit Union Mobile Banking Service, provided you have a compatible Mobile Device.

D. Relationship to Other Agreements.

You agree that when you use Mobile Banking, you will remain subject to the terms and conditions of all your existing agreements with us and our affiliates. You also agree that you will continue to be subject to the Terms and Conditions of your existing agreements with any unaffiliated service providers, including, but not limited to, your mobile service carrier or provider (e.g., AT&T, Verizon, Sprint, T-Mobile, Alltel, etc.), and that this Addendum does not amend or supersede any of those agreements. You understand that those agreements may provide for fees, limitations and restrictions which might impact your use of Mobile Banking (for example, your mobile service carrier or provider may impose data usage or text message charges for your use of or interaction with Mobile Banking, including while downloading the Software, receiving or sending Mobile Banking text messages, or other use of your Mobile Device when using the Software or other products and services provided by Mobile Banking), and you agree to be solely responsible for all such fees, limitations and restrictions. You agree that only your mobile service carrier or provider is responsible for its products and services, and that your mobile service carrier is not the provider of Mobile Banking. Accordingly, you agree to resolve any problems with your carrier or provider directly with your carrier or provider without involving us. You also agree that if you have any problems with Mobile Banking, you will contact us directly.

II. MOBILE BANKING SOFTWARE LICENSE AGREEMENT

A. License.

Subject to your compliance with this Addendum, you are hereby granted a personal, limited, nontransferable, non-exclusive, non-sublicensable and non-assignable license ("License") to download, install and use the Software on your Mobile Device within the United States and its territories. In the event that you obtain a new or different Mobile Device, you will be required to download and install the Software to that new or different Mobile Device.

B. License Restrictions / Revocation.

This License shall be deemed revoked immediately upon (i) your termination of Mobile Banking in accordance with Section V.B of this Addendum; (ii) your deletion of the Software from your Mobile Device; (iii) your noncompliance with this Addendum; or (iv) written notice to you at any time, with or without cause. In the event this License is revoked for any of the foregoing reasons, you agree to promptly delete the Software from your Mobile Device. We and our service providers (which includes, without limitation, any provider of Software) reserve all rights not granted to you in this Addendum. The provisions of Sections I.A, I.C, I.D, II.B, III, IV and V of this Addendum shall survive revocation of the License.

C. Software.

The Software shall be used solely in connection with Mobile Banking and may not be used by you for any other reason. You may not grant any sublicenses to the Software. You agree that you will not (i) modify, change, alter, translate, create derivative works from, reverse engineer, disassemble or decompile the technology or Software, (ii) copy or reproduce all or any part of the technology or Software, or (iii) interfere, or attempt to interfere with the technology or Software. The Software does not include various third party

operating systems and applications that will be required to use the Software. You will be solely responsible for such third party software. You acknowledge that the Software contains trade secrets and other proprietary and confidential information, whether or not the Software contains any copyright or other proprietary notice. You agree to take commercially reasonable precautions to protect the confidentiality of the Software.

You (a) will not print, copy, or duplicate any portion of the Software, (b) will not alter any copyright notices on the Software, (c) will not make the Software available in any form to anyone except your agents for purposes specifically related to your authorized use, (d) will take appropriate action with any persons permitted access to the Software to inform them of the confidential nature thereof and to obtain their compliance with the terms of this Paragraph, (e) only will use the Software for your personal use and not for the benefit of any other person or entity, and (f) will comply with all of our procedures and requirements for use of the Software. The provisions of this Paragraph will survive termination of this Agreement.

III. YOUR OBLIGATIONS

A. Use of Mobile Banking.

You agree that we may send you, by SMS/text, e-mail, and other methods, communications relating to Mobile Banking, including without limitation welcome messages, information relating to use of Mobile Banking. However, Telco Community Credit Union will **never** solicit for your personal information, or security credentials, such as your birth date, account number, password, card number, PIN (personal identification number), etc. You agree to use Mobile Banking carefully, to keep your password confidential and secure and not share it with others, to check your statements and transactions regularly, to report any errors to us promptly by calling us at (828) 252-6458, and to cancel immediately your participation in Mobile Banking as set out in Section V.B below if you observe any material errors in the Mobile Banking Services.

B. Location Based Information.

If you use any location-based feature of Mobile Banking you agree that your geographic location and other personal information may be accessed and disclosed through Mobile Banking. If you wish to revoke access to such information you must cease using location-based features of Mobile Banking.

C. Export Control.

You acknowledge that the Software is subject to the United States (U.S.) government export control laws and regulations, which may restrict or prohibit the use, export, re-export, or transfer of the Software. You agree that you will not directly or indirectly use, export, re-export, or transfer the Software except in compliance with applicable U.S. export laws and regulations. Without limitation, you agree that you will not use Mobile Banking in any embargoed or sanctioned country such as Cuba, Iran, North Korea, Sudan, and Syria.

D. Proprietary Rights.

You are permitted to use content delivered to you through Mobile Banking only on Mobile Banking. You may not copy, reproduce, distribute, or create derivative works from this content. Further, you agree not to reverse engineer or reverse compile any Mobile Banking technology, including, but not limited to, any Software or other mobile phone applications associated with Mobile Banking.

E. User Conduct.

You agree not to use Mobile Banking or the content or information delivered through Mobile Banking in any way that would: (a) infringe any third-party copyright, patent, trademark, trade secret, or other proprietary rights or rights of publicity or privacy, including any rights in the Software; (b) be fraudulent or involve the sale of counterfeit or stolen items, including, but not limited to, use of Mobile Banking to impersonate another person or entity; (c) violate any law, statute, ordinance or regulation (including, but not limited to, those governing export control, consumer protection, unfair competition, anti-discrimination or false advertising); (d) be false, misleading or inaccurate; (e) create liability for us or our affiliates or service providers, or cause us to lose (in whole or in part) the services of any of our service providers; (f) be defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (g) potentially be perceived as illegal, offensive or objectionable; (h) interfere with or disrupt computer networks connected to Mobile Banking; (i) interfere with or disrupt the use of Mobile Banking by any other user; or (j) use Mobile Banking in such a manner as to gain unauthorized entry or access to the computer systems of Others

F. No Commercial Use or Re-Sale. You agree that the Mobile Banking Services are for your use only (for personal and business account holders). You agree not to resell or make commercial use of Mobile Banking.

IV. CHARGES AND TAXES

You agree to pay for Mobile Banking in accordance with our current fee schedule and as amended from time to time. We will advise you of any fee changes prior to implementing them. You authorize us to automatically charge your account for all such fees incurred in connection with Mobile Banking. In the future, we may add to or enhance the features of Mobile Banking. By using such added or enhanced features, you agree to pay for them in accordance with our **Telco Community Credit Union Fee Schedule**.

V. ADDITIONAL PROVISIONS

A. Mobile Banking Services Limitations.

- Neither we nor our service providers can always foresee or anticipate technical or other difficulties related to Mobile Banking. These difficulties may result in loss of data, personalization settings or other Mobile Banking interruptions.

- Neither we nor any of our service providers assumes responsibility for the operation, security, functionality or availability of any Mobile Device or mobile network which you utilize to access Mobile Banking.
- You agree to exercise caution when utilizing the Mobile Banking application on your Mobile Device and to use good judgment and discretion when obtaining or transmitting information.
- Transfer and payment information available via the Mobile Banking software may differ from the information that is available directly through TCCU Home Banking. Information available directly through TCCU Home Banking may not be available via the Mobile Banking software and may be described using different terminology. The method of entering instructions via the Mobile Banking software also may differ from the method of entering instructions through TCCU Home Banking. We are not responsible for such differences, whether or not attributable to your use of the Mobile Banking software. Additionally, you agree that neither we nor our service providers will be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

B. Changes or Cancellation.

You may cancel your participation in Mobile Banking at any time:

- To cancel your participation in Telco Community Credit Union Mobile Banking, clear the cookies from your mobile browser and discontinue your use of Mobile Banking at m.telcoccu.org and through the Mobile Banking link at www.telcoccu.org. You may also call or contact any of the Credit Union office locations to request to remove Mobile Banking access from your account.
- To delete the Mobile App, refer to the instructions for deleting a Mobile Application for your specific Mobile Device. For assistance with Mobile Banking cancellation or lost/stolen Mobile Devices, call (828) 252-6458 or email info@telcoccu.org. We reserve the right to change or cancel Mobile Banking at any time without notice. We may also suspend your access to Mobile Banking at any time without notice and for any reason, including but not limited to, your non-use of Mobile Banking. You agree that we will not be liable to you or any third party for any modification or discontinuance of Mobile Banking.

C. Use of Data.

We and our service providers will use information you provide for purposes of providing Mobile Banking and to prepare analyses and compilations of aggregate member data that does not identify you (such as the number of members who signed up for Mobile Banking in a month).

D. Third Party Beneficiary.

You agree that our service providers may rely upon your agreements and representations in this Addendum, and such service providers are third-party beneficiaries to this Addendum, with the power to enforce its provisions against you.

E. Limitations and Warranty Disclaimers.

We and our service providers disclaim all warranties relating to Mobile Banking or otherwise in connection with this Addendum, whether oral or written, express, implied or statutory, including, without limitation, the implied warranties of merchantability, fitness for particular purpose and non-infringement. Neither we nor our service providers will be liable to you or any third party for any indirect, incidental, exemplary, special, punitive or consequential damages of any kind, or for any loss of profits, business, or data, whether based in statute, contract, tort or otherwise, even if we or our service providers, as applicable, have been advised of, or had reason to know of, the possibility of such damages. Some states/jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you. Except to the extent prohibited by applicable banking regulations, under no circumstances will the total liability of us or our service providers to you in connection with the Mobile Banking Services or otherwise under this Addendum exceed \$5,000.

Our Mobile Deposit service allows approved members of Telco Community Credit Union (TCCU) to utilize their mobile device(s) to deposit acceptable paper checks into their account(s) at the credit union. Mobile Deposit is a function of our Mobile Banking Apps, which can be downloaded directly from the iStore®, Google Play®, or other approved sources.

MOBILE DEPOSITS

This Mobile Deposit User Agreement contains the terms and conditions for the use of Telco Community Credit Union (Telco's) Mobile Deposit services that Telco Community Credit Union "Telco", "us" or "we") may provide to you ("you" or "User"). Other agreements you have entered into with Telco, including but not limited to the Membership & Account Agreement and Disclosures governing your Telco account, Online Banking Agreement and Disclosure, are incorporated by reference and made a part of the Agreement. In the event of a discrepancy between this Agreement and other agreements, the terms of this Agreement shall control. Mobile Deposit is a function of our Mobile Banking Apps, which can be downloaded directly from the iStore®, Google Play®, or other approved sources.

To qualify for Mobile Deposit you must:

- Be a member in good standing
- Must have a credit score of 620 or higher.
- Not be delinquent on any Loan for more than 30 days with TELCO.
- Not have a history of returned deposit items.
- Not have a history of Loan Charge-Offs or Deposit Account Charge-Offs.
- Not have a limited checking account.

Fee Disclosure:

<input type="checkbox"/> Individual	\$2.50 per month, includes 20 checks, \$1.00 per check thereafter
<input type="checkbox"/> Business	\$5.00 per month, includes 60 checks, \$1.00 per check thereafter

1. **Services.** The Mobile Deposit services ("Services") are designed to allow you to make deposits to your checking, savings, or other accounts from your mobile device by electronically transmitting a digital image of your paper checks to Telco. Please see fee schedule below.

2. **Acceptance of these Terms.** Your use of the Services constitutes your acceptance of this Agreement. This Agreement is subject to change from time to time. We will notify you of any material change via e-mail or on our website(s) by providing a link to the revised Agreement. You agree to keep Telco informed of any change to your e-mail and you agree that e-mail will be the primary method of communication regarding the Mobile Deposit service. Returned undeliverable e-mail sent to you may terminate your agreement. Any communication to us regarding Mobile Deposit should be directed to info@telcoccu.org or secure message via Home Banking. Your continued use of the Services will indicate your acceptance of the revised Agreement. Further, Telco reserves the right, in its sole discretion, to change, modify, add, or remove portions from the Services. Your continued use of the Services will indicate your acceptance of any such changes to the Services.

3. **Limitation of Service.** When using the Services, you may experience technical or other difficulties. We cannot assume responsibility for any technical or other difficulties or any resulting damages that you may incur. Some of the Services have qualification requirements, and we reserve the right to change the qualifications at any time without prior notice. We reserve the right to change, suspend or discontinue the Services, in whole or in part, or your use of the Services, in whole or in part, immediately and at any time without prior notice to you.

4. **Hardware and Software.** In order to use the Services, you must obtain and maintain, at your expense, compatible hardware and software as specified by Telco from time to time. Telco is not responsible for any third-party software you may need to use the Services. Any such software is accepted by you as is and is subject to the terms and conditions of the software agreement you enter into directly with the third-party software provider at time of download and installation.

5. **Eligible items.** You agree to scan and deposit only checks as that term is defined in Federal Reserve Regulation CC ("Reg CC"). You agree that the image of the check transmitted to Telco shall be deemed an "item" within the meaning of Article 4 of the Uniform Commercial Code as adopted in Iowa.

6. **Unacceptable Items for Deposit.** You understand and agree that you will not use the Services to deposit the following items:

- Any third party check (any item that is made payable to another party and then endorsed to you by such party).
- Any item(s) presented to us through the Mobile Deposit service by a joint owner or authorized signer on your account will be considered as coming from you and will be governed by this agreement.
- Any item that contains evidence of alteration to the information on the check.
- Any check or item previously converted to a substitute check, as defined in Reg CC.
- Any items drawn on a financial institution located outside the United States.
- Any item not payable in United States currency.
- Any item dated more than 6 months prior to the date of deposit).
- Any item that has been re-deposited or returned such as "non-sufficient funds" or "refer to maker" or returned for any other reason.
- Any remotely created checks, as defined in Reg CC.
- Any item prohibited by Telco's current procedures relating to the Services or which are otherwise not acceptable under the terms of your Telco account.

7. **Image Quality.** The image of an item transmitted to Telco using the Services must be legible. The image quality of the items must comply with the requirements established from time to time by ANSI, the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearing house association. (Telco reserves the right to reject any check image that is not clear, skewed, or that is suspicious in any manner.)

8. **Endorsements and Procedures.** You agree to restrictively endorse any item transmitted through the Services as "For deposit only, account # _____" and your signature or as otherwise instructed by Telco. You agree to follow any and all other procedures and instructions for use of the Services as Telco may establish from time to time.

9. **Receipt of Items.** We reserve the right to reject any item transmitted through the Services, at our discretion, without liability to you. We are not responsible for items we do not receive or for images that are dropped during transmission. An image of an item shall be deemed received when you receive a confirmation from Telco that we have received the image. Receipt of such confirmation does not mean that the transmission was error free or complete.

10. **Items Returned Unpaid.** A notice will be sent to you of transactions we are unable to process because of returned items. With respect to any item that is transmitted to you for remote deposit that is credited to my Account, in the event such item is dishonored, you authorize us to debit the amount of such item from the Account, including any applicable fees. Check images that are returned for image quality adjustments will have to be submitted in paper to Telco upon receipt of notice of such, to be physically reprocessed; they may not be re-scanned.

11. **Email Address.** You agree to notify us immediately if you change your email address, as this is the email address where we will send notifications of receipt of remote deposit items.

12. **Availability of Funds.** You agree that items transmitted using the Services are subject to the funds availability requirements of Federal Reserve Board Regulation CC.

13. **Disposal of Transmitted Items.** Upon your receipt of a confirmation from Telco that we have received the image of any item, you agree to prominently mark the item as "Electronically Presented" or "VOID" and to properly dispose of the item to ensure that it is not represented for payment. And, you agree never to represent the item. You will promptly provide any retained item, or a sufficient copy of the front and back of the item, to Telco as requested to aid in the clearing and collection process, to resolve claims by third parties with respect to any item, or for Telco's audit purposes.

14. **Deposit Limits.** We reserve the right to impose limits on the amount(s) and/or number of deposits that you transmit using the Services and to modify such limits from time to time.

15. **Business Day and Availability Disclosure.** You understand the Services are available Monday through Friday between 8:30 a.m. to 5:00 p.m., Eastern Standard Time (EST). Transmissions processed during holidays, any other day we are not open for business, or such other hours as established by us from time to time are treated as occurring on the next business day.

16. **In Case of Errors.** In the event that you believe there has been an error with respect to any original check or image thereof transmitted to us for deposit or a breach of this Agreement, you will immediately contact us regarding such error or breach as set forth below:
Telephone: (828) 252-6458
Or write: Telco Community Credit Union
1137 Smokey Park Highway, Candler, NC 28715

17. **Presentment.** The manner in which the items are cleared, presented for payment, and collected shall be in Telco's sole discretion subject to the Depository Agreement and Disclosures governing your account.

18. **Ownership & License.** You agree that Telco retains all ownership and proprietary rights in the Services, associated content, technology, and website(s). Your use of the Services is subject to and conditioned upon your complete compliance with this Agreement. Without limiting the effect of the foregoing, any breach of this Agreement immediately terminates your right to use the Services. Without limiting the restriction of the foregoing, you may not use the Services (i) in any anti-competitive manner, (ii) for any purpose which would be contrary to Telco's business interest, or (iii) to Telco's actual or potential economic disadvantage in any aspect. You may use the Services only for non-business, personal use in accordance with this Agreement. You may not copy, reproduce, distribute or create derivative works from the content and agree not to reverse engineer or reverse compile any of the technology used to provide the Services.

19. **Change in Terms.** We may change the terms and charges for the Services indicated in this Disclosure and Agreement by notifying you of such change and may amend, modify, add to, or delete from this Disclosure and Agreement from time to time your use of the Services after receipt of notification of any change by us constitutes my acceptance of the change.

20. **Termination of the Services.** You may, by written request, terminate the Services provided for in this Disclosure and Agreement. At our sole discretion we may revoke your privilege of using the Services at any time. In the event of termination of the Services, you will remain liable for all transactions performed on your Account.

21. **Relationship to Other Disclosures.** The information in these Disclosures applies only to the Services described herein. Provisions in other disclosure documents, as may be revised from time to time, remain effective for all other aspects of the Account.

22. **Governing Law.** You understand and agree that this Disclosure and Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the laws of the State of Iowa notwithstanding any conflict-of-laws doctrines of such state of other jurisdiction to the contrary. You also agree to submit to the personal jurisdiction of the courts of the State of North Carolina.

23. **DISCLAIMER OF WARRANTIES.** YOU AGREE YOUR USE OF THE SERVICES AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. WE MAKE NO WARRANTY THAT THE SERVICES (ii) WILL MEET YOUR REQUIREMENTS, (ii) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE SERVICE WILL BE ACCURATE OR RELIABLE, AND (iv) ANY ERRORS IN THE SERVICES OR TECHNOLOGY WILL BE CORRECTED.

24. **LIMITATION OF LIABILITY.** YOU AGREE THAT WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING,

BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER LOSSES RESULTING FROM THE USE OR THE INABILITY TO USE THE SERVICES INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR THE TERMINATION OF THE USE OF THIS SERVICES, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF TELCO HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.

25. **User warranties and indemnification.** You warrant to Telco that:

- a) You will only transmit eligible items.
- b) Images will meet the image quality standards.
- c) You will not transmit duplicate items.
- d) You will not deposit or represent the original item.
- e) All information you provide to Telco is accurate and true.
- f) You will comply with this Agreement and all applicable rules, laws and regulations.

You will agree to indemnify and hold harmless Telco from any loss for breach of this warranty provision.