



North Carolina Press Association Federal Credit Union Account Rules and Regulations

Agreement and Disclosure of Account Rules

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Understanding Your NCPAFCU Accounts

North Carolina Press Association Federal Credit Union ("NCPAFCU" or the "Credit Union") offers a wide variety of account services. Your agreement with us concerning your accounts held at NCPAFCU is contained in the account signature form, and other account opening agreements and disclosures incorporated by reference, associated with each of your accounts. These account opening agreements and disclosures include, as applicable:

- this *Account Rules and Regulations* (the "Agreement");
- our *Fees and Terms* disclosure;
- the *Supplemental Terms and Conditions for NCPAFCU Visa^{®1} Debit, CashPoints^{®2}, CashPoints Global, and HSA Cards* ("Debit Card Supplement") (if we issue one of these cards to you);
- the *Share & Deposit Account Rate Summary*; and
- our *Online Services Agreement* (if you enroll in Online Services).

We may present other agreements and disclosures to you from time to time, which may also govern your accounts. Read this Agreement and keep it so you can refer to it when you have questions about your accounts. Visit www.ncpafcu.org for the most up-to-date version of this Agreement. You can also contact your local State Employees' Credit Union (SECU) branch or call (888) 732-8562 to request a copy.

THIS AGREEMENT CONTAINS AN ARBITRATION PROVISION IN THE "GENERAL ACCOUNT TERMS" SECTION, WHICH GOVERNS HOW DISPUTES BETWEEN YOU AND US WILL BE RESOLVED IF A DISPUTE ARISES. YOU HAVE THE RIGHT TO OPT OUT OF THE ARBITRATION PROVISION BY NOTIFYING US WITHIN THE TIME PERIOD SPECIFIED IN THAT PROVISION.

North Carolina Press Association Federal Credit Union Member Identification Notice

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may ask to see your driver's license or other identifying documents. We may also ask to see your identifying documents if you change your name or before completing a transaction, such as a withdrawal.

¹Visa is a registered trademark of Visa International Service Association and used under license.

²CashPoints[®] is a trademark of SECU and used under license.

General Provisions

Use of Certain Terms in This Agreement:

- "You" or "your" refers to each person signing an account signature form, anyone who owns an account, or anyone who has access to or control over an account (including your agents, such as agents under powers of attorney and personal agents).
- "We," "our," and "us" each refer to NCPAFCU.
- "Account" is the generic term that refers to any type of account you have at NCPAFCU, with the exception of credit accounts such as loans and lines of credit. While all accounts covered by this agreement are technically share accounts, we use the terms "share account," "FAT CAT^{®3} share account" and "Zard^{®3} share account" to refer to our savings share accounts.
- "Item" includes all orders and instructions for the payment, transfer, or withdrawal of funds from your account; for example, a check, draft, image, substitute check, everyday non-recurring debit card transaction, recurring debit card transaction, ACH transaction, ATM transaction, preauthorized payment, automatic transfer, telephone-initiated transfer, online transfer including a BillPay transaction, withdrawal slip, and an in-person payment, transfer or withdrawal instruction.
- "Includes," "including," "include" and "for example" are used to introduce a list of some, but not all, situations or items that are covered by a particular provision.
- When we refer in this Agreement to "sufficient available funds," "available funds," "funds being available," or similar phrases, we mean the Available Balance plus, if applicable, any funds available to the account through your participation in our Overdraft Transfer Service.
- "Re-presentment" occurs when an Item that was returned unpaid is presented again by a merchant or other person for payment.
- "Business days" are Mondays through Fridays except NCPAFCU holidays. NCPAFCU posts its holiday schedule on its website at www.ncpafcu.org.
- All references to time are in Eastern time unless otherwise noted.

Headings: This Agreement uses section and paragraph headings to help you find certain subjects. This is done for convenience only. The headings do not limit the sections and paragraphs.

Governing Law: This agreement is governed by applicable federal law and North Carolina law, except that the Arbitration Provision is governed by the Federal Arbitration Act. If any terms in this Agreement come into conflict with applicable law, those terms will be nullified to the extent they are inconsistent with the law, and the law will govern. Except as set forth in the Arbitration Provision, if any part of this Agreement is found to be invalid, the rest of it will still remain in effect.

Amending This Agreement: We reserve the right to amend the terms of this Agreement at any time by adding, deleting, or amending any provisions. If we amend this Agreement, we will notify you as required by law and as we determine is appropriate, which may include by mail (e.g., statement message, statement enclosure, or letter) or by posting a notice on our website and/or in SECU branches. When we amend this Agreement, the amended version supersedes all previous versions and governs your account. Your continued use of the account after the effective date of any amendment will constitute your acceptance of the amendment. Any attempt by you to amend this Agreement by striking through, adding language, or making any other written changes is void.

Communications Are Provided in English: NCPAFCU conducts all transactions and other member business in English. Therefore, all agreements, disclosures, applications, origination, servicing, collection, marketing, and informational materials are provided in English only unless otherwise required by law. As a service to our members, we will attempt to assist those who have limited English proficiency where possible.

Changes to Your Account: If you ask us to make a change to your account, the change will not be effective unless we accept and process your request. We may require you to follow specific procedures to make certain account changes.

NCPAFCU Waiver: The waiver of any of our rights under this Agreement must be in writing and signed by us to be effective. We may delay enforcing or not enforce any of our rights under this Agreement without losing or waiving any of them.

Your Waiver: You agree to waive any notice of non-payment, dishonor, or protest regarding any Items credited to or charged against your account. For example, if a check you deposited or we cashed for you is dishonored and returned to us, we are not required to notify you of the dishonor.

³ FAT CAT[®] and Zard[®] are trademarks of SECU and used under license.
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Calls and Messages to Your Telephone or Mobile Device: You agree that we (and our affiliates, agents, and contractors) may monitor or record any calls between you and us. You also agree that we do not need to remind you of this before any phone conversation. If we need to contact you to service your account or to collect amounts you owe us, you authorize us (and our affiliates, agents, and contractors) to contact you at any number you have provided to us, from which you called us, or which we obtained and believe we can use to reach you. You must notify us if you change or discontinue using any phone number you provide. We may contact you in any way, such as calling, texting, or email. We may contact you using an automatic dialer or using artificial or prerecorded voice messages. We, our affiliates, agents, and contractors may call or text you at any phone number you provide about any products and services you have with us or that you request we provide to you. We may contact you on a mobile, wireless, or similar device, even if you are charged for it by your provider. You may change your preferences regarding certain calls and messages by updating your preferences online through Press Pass, contacting your local SECU branch, or calling us at (888) 732-8562 or (919) 857-2150 locally in Raleigh. You may also write to us at our mailing address: North Carolina Press Association Federal Credit Union, P.O. Box 27963, Raleigh, NC 27611.

When you give us your phone number or call us, you agree and expressly consent in advance to these terms and conditions.

Effect of Internal Guidelines: Our internal policies and procedures are only for our purposes, may not be enforced by you, and do not impose a higher standard of care than otherwise would apply by the law that governs your accounts.

Branch Services: Branch services are offered to NCPAFCU members at SECU branches.

Information About Our Accounts

We offer a number of different types of accounts with different benefits, features, terms, requirements, limitations, rates, and fees. Please review our *Fees and Terms* disclosure and *Share & Deposit Account Rate Summary* provided to you at account opening for important information regarding your accounts. We may update these documents from time to time and may do so without prior notice to you unless prohibited by law. Current copies are available on our website at www.ncpafcu.org. You can also request information via Press For Info, our voice response phone system, which is available 24 hours a day. You can reach Press For Info by dialing (877) 247-7377 or (919) 278-1001 if you are in the Raleigh area.

Fees

You are responsible for paying any fees associated with your account. These fees, which are deducted from your account, can cause the account to have insufficient funds to pay other items. Fees are subject to change at our discretion and in accordance with applicable laws. For a full list of fees that may affect your account, see our *Fees and Terms* disclosure.

Monthly Maintenance Fee: Checking, Zard checking, and CashPoints® Global (CPG) accounts are subject to a monthly maintenance fee.

- **Checking Accounts:** If your account has insufficient funds to cover the entire monthly maintenance fee, the portion of the fee amount that is available is debited, and the unpaid portion of the fee accrues and is debited from your account when sufficient funds become available. Zard checking accounts automatically convert to traditional accounts when the owner turns 20 years old.
- **CPG Accounts:** If your account has a zero balance on the statement date, the account does not incur a monthly maintenance fee for that month. If there is a positive balance in the account on the statement date, the account is debited up to the full amount of the monthly maintenance fee that is available in the account. Any unpaid portion of the fee does not accrue.

Account Ownerships, Beneficiaries, and Agents

Account Ownership

You select the account ownership type for your account. The type of account ownership is designated on the account signature form associated with your account. You may request that we facilitate certain trust, will, or court-ordered account setups or other arrangements. However, we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order, and we are not responsible for informing you how the different account ownership types may affect your legal interests.

Joint Accounts

All joint accounts are governed by North Carolina General Statutes § 54-109.58. All joint accounts are held by the owners as co-owners with the right of survivorship, regardless of which owner deposited the funds or whose money was deposited.

Each joint owner has the right to withdraw any or all of the funds in the account and/or close the account without the knowledge, consent, or joinder of any other joint owner. We may pay the funds in the account to, or on the order of, any of the joint owners named on the account.

Upon the death of one joint owner, the funds remaining in the account belong to the surviving joint owners and will not pass to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will. However, upon the death of one joint owner, funds in the account may be subject to collection by the personal representative of the decedent's estate.

Each joint owner appoints each of the other joint owners as his or her agent to deposit, withdraw, and conduct any business on the joint account, including pledging the account. Each joint owner guarantees the signatures of the other joint owners and authorizes the other joint owners to endorse and deposit checks, drafts, or other payment orders that are payable to any of the joint owners into the joint account.

Any joint owner may appoint an agent under a power of attorney and add the agent to the account, but we reserve the right to require the consent of all joint owners. You agree that each joint owner may withdraw or transfer any or all of the funds on deposit by any means NCPAFCU makes available, including closing the account, placing or removing a stop payment order, designating the account as a protecting account for our Overdraft Transfer Service, or, for STCs, changing the renewal option or the account into which dividends or principal upon maturity is paid, all without the knowledge, consent, or joinder of any other joint owner. Each joint owner authorizes NCPAFCU to exercise setoff and enforce its lien on the entire joint account, even if only one, or less than all, of the joint owners is the debtor. These rights exist irrespective of who contributes funds to the joint account. (See the Statutory Lien; Right of Setoff; Security Interest section.) NCPAFCU is not bound by any knowledge of and has no duty to inquire as to the source of funds deposited into the joint account. Each joint owner has an equal and undivided interest in the entire account regardless of the source of funds. NCPAFCU may provide information about the account, including statements and other records documenting the prior history of the account, to any joint owner. Notice provided by NCPAFCU to any one joint owner is notice to all joint owners.

Removal of a Joint Owner: Joint owners may voluntarily remove themselves from a joint account at any time, without the authorization of the remaining owners, by completing an addendum to the account signature form. You agree that the signatures of the remaining owners are not required in order to remove a joint owner and that the addendum shall validly amend the account signature form, but only to the extent necessary to remove the owner's interest in the account. After voluntary removal, the account continues in the names of the remaining owners, who will be notified of the change in ownership.

The removing owner relinquishes his or her rights to the account, including the right of survivorship, and will no longer be authorized to make withdrawals, initiate debit transactions, write checks, or obtain information about future activity on the account. The removing owner remains liable for any debts incurred and checks or debits authorized during the period in which he or she was a joint owner on the account. If the account has been pledged to secure a loan made to or guaranteed by the removing owner, the removing owner's relinquishment of rights does not release the account as collateral or affect the pledge in any manner.

When joint owners voluntarily remove themselves from an account, remaining owners should review and update the statement address, Overdraft Transfer Service, transfer accounts for STCs and Holiday Cash Club accounts, BillPay records, funds transfers, and payroll deductions, as applicable.

If, for any reason, an account signature form with co-owners fails to create a statutory joint account with right of survivorship, you agree that the account will be held as a joint account with right of survivorship under contract and common law and will have the characteristics described in this section.

Payable on Death Accounts

Payable on Death (POD) accounts are governed by North Carolina General Statutes § 54-109.57A. POD accounts may have multiple owners and multiple beneficiaries unless the beneficiary is an entity other than a natural person, such as a trust, charity or other non-profit organization. In these instances, there shall only be one beneficiary. If there are two or more owners, the owners own the account as joint tenants with right of survivorship. Owners may change the beneficiaries at any time by completing a new account signature form and returning that form to NCPAFCU. We have no obligation at any time to notify the beneficiary(ies) of the existence of, or vesting of interest in, any POD account except as otherwise required by law.

Upon the death of the last surviving owner, the money remaining in the account belongs to the beneficiaries, does not pass to the heirs of the deceased owners, and is not controlled by a will. Distribution to beneficiaries, however, is subject to our review of documentation establishing the death of the account owner and the identity of the beneficiaries. If there are multiple beneficiaries, we reserve the right to close the resulting joint account with the right of survivorship and distribute the

funds in equal shares to the beneficiaries then living.

If, for any reason, an account signature form designating one or more POD beneficiaries fails to create a statutory POD account, you agree that the account is held as a POD account under contract and common law and has the characteristics described in this section.

Uniform Transfers to Minors Act Accounts

Uniform Transfers to Minors Act (UTMA) accounts are governed by the provisions of the North Carolina Uniform Transfers to Minors Act, Chapter 33A of the North Carolina General Statutes. Transfers to minors under the UTMA are irrevocable gifts to the minors. The account signature form designates a custodian who has the authority to make withdrawals, obtain information, and otherwise manage the account. The custodian does not have any ownership rights or interests in the account. The custodian is responsible for transferring the custodial property to the minor after the minor reaches 18 and before the minor reaches the age of 21.

The custodian may designate a successor custodian who may act in the event the custodian dies, resigns, or becomes incapacitated. If the custodian dies or becomes incapacitated and no successor custodian has been designated, we may suspend withdrawals from the account until we receive instructions from any person authorized by law to withdraw funds or in a court order authorizing withdrawals. We have no duty to inquire about the use or purpose of any transaction; however, we may limit certain withdrawals and transfers from UTMA accounts. For example, the custodian may not be able to complete point-of-sale debits or ATM withdrawals.

The custodian must notify us in writing immediately upon the occurrence of any of the following events: the death of the minor, the termination of the custodianship, the appointment of a successor custodian, or if the custodian's authority has otherwise been terminated. Before we receive such notice, we may honor any checks or other items drawn on the account without incurring any liability to the minor or any third party. The custodian will be liable to us for any loss or expense we incur because of the custodian's failure to provide prompt notice.

Accounts by Minors

We may offer accounts to minors. We may require that any account opened by a minor be a joint account with another member who has reached the age of majority under state law and who will be jointly and severally liable to us for any returned item, negative balance, or unpaid fees or amounts on such account. We may pay funds directly to the minor without regard to their minority status. Unless a guardian or parent is a joint account owner, such guardian or parent will not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not automatically remove a parent, guardian, or other responsible adult as joint owner when the minor reaches the age of majority unless the change is authorized in writing by all account owners.

Personal Agency Accounts

Personal agency accounts are governed by North Carolina General Statutes § 54-109.63. The agent named on the account may sign checks, withdraw funds, make deposits, and obtain account information. A personal agent has no ownership rights or interest in the account. If an owner of the account becomes incapacitated or mentally incompetent, you agree that the agent will have the authority to continue acting on behalf of the owners. The personal agent's authority ends upon the death of the last owner, and the money remaining in the account will either be released to POD beneficiaries, controlled by the will, or inherited by the heirs of the last account owner to die.

Trust Accounts

We may open accounts titled in the name of a revocable living trust or an irrevocable trust. We accept no responsibility for determining whether a grantor or trustee is qualified to act or has been duly appointed to act in that capacity or whether any transaction involving the account is in accordance with or authorized by applicable law or the trust agreement. We also have no obligation at any time to notify the beneficiary(ies) of any trust account of the account's existence or of the vesting of any interest in the account. NCPAFCU acts only as the depository for the funds. However, we reserve the right to require a copy of a certification of trust or excerpts of the trust agreement.

Powers of Attorney

We may accept your power of attorney document, which authorizes the person you name in the document (your attorney-in-fact or agent) to act on your behalf with respect to your accounts. In order to accept a power of attorney, we will require, at minimum, a copy of the power of attorney document and an affidavit executed by your agent that the authority granted to the agent in the power of attorney remains valid and active. We may continue to recognize the authority of your agent until we receive notice of your death or written notice of revocation of the agent's authority or of

the revocation of the power of attorney document and we have had a reasonable time to act on the notice.

Fiduciary Accounts

We may open guardianship and conservatorship accounts (including Receipt and Agreement accounts), VA Federal Fiduciary accounts, Social Security Administration Representative Payee accounts, and estate accounts. Agents who open these accounts must provide documentation evidencing their appointment as the fiduciary from the appropriate authority. We reserve the right to require additional documents and information, as appropriate, for any designated person before allowing them to act on your behalf or on behalf of your estate. We may limit certain withdrawals and transfers from VA Federal Fiduciary accounts, Social Security Administration Representative Payee accounts, and guardianship accounts. For example, agents may not be able to complete point-of-sale debits or ATM withdrawals.

Other Agency Relationships

Notwithstanding the preceding paragraphs, if you give an individual actual or apparent authority to view or transact on your account, such as by providing the individual with your account information, card, and/or security credentials (e.g., your personal identification number [PIN], username or password), or direct us to grant account access to the person, we may, in our sole discretion, elect to treat such person as an agent with respect to the account, even if the agent's name is not expressly designated on the account or in an authorizing document.

We may pay funds in your account to or upon the order of your agent. We are authorized to follow the directions of your agents regarding the account without liability to you until we receive written notice that the agency relationship has been terminated and we have had a reasonable time to act upon the notice. You will be responsible for all acts of your agent, even if your agent acts contrary to your specific instructions or your best interest or exceeds the agent's authority. We have no duty to monitor your accounts or inquire about the use or purpose of any transaction made by your agent, and we will not be responsible for any breach of fiduciary duty or the misapplication of funds from your account by your agent or fiduciary. You or your agent must immediately notify us when their authority has ended.

Electronic Fund Transfers

Regulation E Disclosure

The following sections summarize your rights, liabilities, and obligations for electronic fund transfers under Regulation E. An electronic fund transfer is a transfer of funds that is initiated electronically, such as by an NCPAFCU debit card, through an electronic device (such as a telephone or computer) or converted from a paper item for the purpose of authorizing us to debit or credit your account.

Consumer Liability: Tell us AT ONCE if you believe your Card, Card Credentials (each as defined in the Debit Card Supplement), or account credentials have been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus any funds available for overdraft transfer). If you tell us within two business days after you learn of the loss or theft of your Card, Card Credentials, or account credentials, you can lose no more than \$50 if someone used your Card, Card Credentials, or account credentials without your permission.

If you do NOT tell us within two business days after you learn of the loss or theft of your Card, Card Credentials, or account credentials, and we can prove we could have stopped someone from using your Card, Card Credentials, or account credentials without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers you did not make, including those made by Card, Card Credentials, account credentials, or other means, such as ACH or BillPay, tell us at once. If you do not tell us within 60 days after the date we send the statement or otherwise make it available 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 a good reason (such as a long trip or a hospital stay) keeps you from telling us, we will extend the time period.

If you believe your Card, Card Credentials, or account credentials have been lost or stolen, call us immediately at (888) 732-8562, or write to North Carolina Press Association Federal Credit Union, PO Box 28540, Raleigh, NC 27611. You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission. For the purposes of these disclosures, our business days are Monday through Friday, with the exception of NCPAFCU holidays.

Transfer Types and Limitations: You may use your Card, Card Credentials, and account credentials to:

- withdraw cash from your accounts

- make deposits to your accounts
- transfer funds between your accounts whenever you request
- pay for purchases at places that have agreed to accept the Card, Card Credentials, or account credentials
- pay bills directly from your checking account in the amounts and on the days you request

Some of these services are unavailable with all types of accounts or cards and may not be available at all terminals. Please see the *Debit Card Supplement* for details.

You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to:

- pay for purchases
- pay bills

For security reasons, there are limits on the dollar amount of transactions you can make using our services, as set forth in our *Fees and Terms* disclosure. If you need these limits adjusted, please contact us.

Confidentiality: We may disclose information to third parties about your account or the transfers you make:

- where it is necessary for completing transfers and other transactions
- in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant
- in response to legal process which we believe requires our compliance
- if you give us your written permission
- to other third parties as described in our Consumer Privacy Notice or as otherwise permitted by applicable law

Documentation: You can get a receipt at the time you make any transfer to or from your account using a CashPoints ATM or in an SECU branch.

If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can find out whether or not a deposit has been made by viewing your account online through Press Pass or by calling us at (888) 732-8562 or (877) 247-7377 (Press for Info). We will send or otherwise make available to you a monthly account statement unless we consider your account inactive. Your account is inactive if no transactions (including fees and dividend payments) are made in a given month. Inactive accounts will not produce a statement.

Stopping Payment on Pre-Authorized Transactions: If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Call us at (888) 732-8562, sign on to Press Pass at www.ncpafcu.org, or write to us at North Carolina Press Association Federal Credit Union, PO Box 28540, Raleigh, NC 27611, in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

If these regular payments may vary in amount, the person you are going to pay will tell you 10 days before each payment when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set. If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we fail to do so, we will be liable for your losses or damages.

Our Liability for Failure to Make Transfers: If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account, including any amounts available from overdraft transfer sources, to cover the transaction;
- If the ATM where you are making the transfer does not have enough cash;
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer;
- If circumstances beyond our control (such as a power outage, fire, or flood) prevent the transfer, despite reasonable precautions that we have taken; or
- If the funds are subject to legal process.

There may be other exceptions provided by applicable law or stated in our agreements with you governing your accounts.

Fees: We may charge you fees to use ATMs to make balance inquiries, fund transfers, and withdrawals. These fees are disclosed in our *Fees and Terms* disclosure. Please review it carefully. Fees are subject to change at our discretion and in accordance with applicable law.

In addition to any fees we charge, when you use an ATM that is not a CashPoints ATM, you may be charged a fee by the ATM operator for completed and denied transactions and balance inquiries.

Error Resolution: In case of errors or questions about your electronic fund transfers, telephone us at (888) 732-8562 or write us at North Carolina Press Association Federal Credit Union, PO Box 28540, Raleigh, NC 27611 as soon as you can if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after the statement on which the problem or error first appeared was sent or made available to you.

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

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

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

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation and reverse the provisional credit to your account. You may ask for copies of the documents that we used in our investigation.

ACH Transactions

Automated Clearing House (ACH) entries are debits or credits to your account that are transmitted through the ACH system. All ACH entries are subject to the Operating Rules and Guidelines of the National Automated Clearing House Association (Nacha Rules). Because ACH entries are a type of electronic fund transfer, ACH entries to/from consumer accounts are generally subject to Regulation E.

Inconsistency of Receiver Name and Account Number: If we receive an ACH entry that includes a receiver name and account number that are inconsistent, the entry will be credited on the basis of the account number, even if it identifies an account that does not belong to the named receiver. You agree that we have no obligation to identify such inconsistencies and are not responsible if we process an entry that contains your name based solely on the account number.

Notice of Receipt of ACH Items: Under the Nacha Rules, we are not required to give next-day notice to you of receipt of an ACH item, and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

Early Direct Deposit: If you receive direct deposits to one or more of your Credit Union accounts, you may be able to access your funds up to two days earlier than the ACH Network settlement date. This means if you receive your pay through direct deposit, you may have access to your pay up to two days sooner than your employer's payday. Early access to your funds is not guaranteed, however. (For more information regarding standard posting expectations for direct deposits, see the Electronic Deposits and Other Credits section.) Always check your account transactions to confirm your deposit has been credited to your account before you make purchases or pay bills in reliance on early direct deposit.

Provisional Payment: Credit given by NCPAFCU to you with respect to an ACH credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e., the originator of the entry) will not be deemed to have paid you the amount of such entry.

Applicable Law: NCPAFCU may accept on your behalf payments to your account which have been transmitted as ACH entries and which are not subject to the Electronic Fund Transfer Act, such as a re-presented paper check, and you agree that your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the State of North Carolina and as provided by the Nacha rules.

Wire Transfers

Applicable Law: Wire transfers are subject to Article 4A of the North Carolina Uniform Commercial Code and any rules in effect at the time of the transfer governing the use of the system(s) through which funds are transmitted. However, wire or other fund transfers sent outside the United States that are initiated primarily for personal, family, or household purposes (called remittance transfers) are governed primarily by federal law and not by this section of the Agreement; your rights regarding remittance transfers will be disclosed to you in connection with each remittance transfer transaction that you make.

Wire transfers are also governed by the terms set forth on our *Wire Transfer Receipt*, which is provided to you when you give us a wire transfer payment order and is available at other times upon request.

Inconsistency of Name and Account Number: If you request a wire transfer that identifies the beneficiary (recipient of funds) by name and account number, payment may be made by the beneficiary's financial institution on the basis of the account number, even if it identifies a person different than the designated beneficiary. You agree that we have no obligation to identify such inconsistencies and may process your request only on the basis of the account number. If you request a wire transfer that identifies an intermediary or beneficiary's financial institution by both name and identifying number, a receiving financial institution may rely on the number as the proper identification, even if it identifies a different financial institution than the named financial institution.

Notice of Acceptance: We will notify you of the receipt of a wire transfer into or out of your account in the periodic statements provided to you for your account. We are not obligated to give you next-day notice or any other notice of a wire transfer.

Our Liability: If you are entitled to compensation for any delay or improper completion of a wire transfer as a result of our error, our liability will be limited to the payment of interest at the then-offered share account rate for a period not exceeding the lesser of 60 days or the period between the date of the error and the date of the correction. We will not be responsible under any circumstances for any consequential, incidental or actual damages (except for interest as provided above) in the event of any such delay or improper completion. You agree to notify us immediately upon learning of or suspecting any unauthorized wire transfer or any other discrepancy from your transfer instructions. We will be discharged from any loss or liability to the extent caused by your delay in giving us such notification.

When Funds Are Available for Withdrawal

This section describes our policy for when your deposits are available for withdrawal. We often make funds from your deposited checks available for your use before we can collect the check. If you have withdrawn the funds, you are still responsible for any problem with the deposit, such as the return of a deposited check. If a check you deposited or cashed is returned to us for any reason, we may charge your account for the amount of the check, or you must repay us for the amount of the check.

Your Ability to Withdraw Funds

Our general policy is to make funds from your cash and in-person check deposits available to you on the same business day we receive your deposit. Funds from checks deposited to a CashPoints ATM are generally made available to you on the first business day after the day of your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and days we are closed for observance of holidays. If you make a deposit before 5:30 p.m. on a business day we are open at an SECU branch or at a CashPoints ATM, we will consider that day to be the day of your deposit. However, if you make a deposit at an SECU branch or at a CashPoints ATM after 5:30 p.m. or on a day we are not open, we will consider the deposit made on the next business day we are open. For example, if you deposit funds at a CashPoints ATM on a Saturday at 3:00 p.m., and we are closed the following Monday for a holiday, we will consider the deposit made on Tuesday.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you on the same or next business day of a deposit. Depending on the check you deposit, funds may not be available until the seventh business day after the day of your deposit. The first \$275 of your in-person deposits, however, will be available on the same business day we receive your deposit, and the first \$275 of your deposits to a CashPoints ATM will be available on the second business day.

Generally, if we are not going to make all the funds from your deposit available on the same business day of your deposit (or the first business day after the day of your deposit for checks deposited to a CashPoints ATM), we will notify you at the time

you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to an SECU branch employee, or if we decide to take this action after you have left the premises, we will mail you the notice by the end of the next business day after we receive your deposit. If you need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposited by check may be delayed for a longer period under the following circumstances:

- we believe a check you deposit will not be paid
- the check you deposited, or other checks you have previously deposited, has been returned unpaid
- you make a large deposit (however, up to \$6,725 will be available on the same or next business day)
- you make a deposit to a new transaction account
- you have overdrawn one or more of your accounts with us repeatedly in the last six months
- there is an emergency, such as a weather emergency, power outage, or failure of computer or communications equipment

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. With respect to deposits made to checking accounts, CPG accounts, and HSAs, funds from the deposit will be available no later than the seventh business day after the day of your deposit.

Special Rules

Holds on Other Funds – Check Cashing: If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that is already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. For example, if we cash a \$500 check for you, \$500 of funds already in your account may not be available until up to the seventh business day after the day we cashed the check.

Holds on Other Funds – Other Accounts: If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of deposit.

Special Rules for Deposits to Share Accounts

Holds on deposits made to share accounts are not governed by the rules described above. Thus, we may place longer holds on funds from these deposits if we believe there is risk the check may not be paid and/or there may not be sufficient available funds in your account to cover the check should non-payment occur. It is also our policy to place a seven-day hold on all check deposits greater than \$1,000 made to IRA share accounts. If we place a hold on your deposited check, we will provide you with notice of the hold at the time of deposit (if the deposit takes place in person at an SECU branch), or we will mail you notice as soon as practicable.

Electronic Deposits and Other Credits

Electronic Deposits: Funds from electronic deposits, including direct deposits and wires, are available on the effective date or the day we receive the deposit, whichever is later. (Additionally, direct deposits may be available up to two days early; see Early Direct Deposit under the ACH Transactions section.) Once they are available, you can withdraw the funds in cash, and we will use the funds to pay any debits to your account.

Merchant Credits: When you initiate a merchant return on a debit card point-of-sale transaction, the credit for the transaction will be held and unavailable for use until we receive the credit settlement transaction from the merchant and post it to your account. Until that time, the credit will be displayed in Activity Today (which term is defined in the Account Balance and Posting Order section).

Substitute Check Policy Disclosure

Substitute Checks and Your Rights

What Is a Substitute Check? To make check processing faster, federal law permits financial institutions to replace original checks with "substitute checks." These checks are similar in size to original checks, with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment, just like the original

check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes the rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other laws with respect to those transactions.

What Are My Rights Regarding Substitute Checks? In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, non-sufficient funds fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to dividends on the amount of your refund if your account is a dividend-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other laws.

If you use this procedure, you may receive up to \$2,500 of your refund (plus dividends, if your account earns dividends) within 10 business days after we receive your claim and the remainder of your refund (plus dividends, if your account earns dividends) not later than 45 calendar days after we receive your claim.

We may reverse the refund (including any dividends on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How Do I Make a Claim for a Refund? If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at a local SECU branch, call us at (888) 732-8562, or sign on to Press Pass at www.ncpafcu.org and send a Secure Message to request a refund. You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the date of the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include a description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect), an estimate of the amount of your loss, an explanation of why the substitute check you received is insufficient to confirm that you suffered a loss, and a copy of the substitute check and the following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check, and the amount of the check.

Deposits to and Withdrawals from Your Account

Deposits

You may make deposits in person, by mail, or by any other method we make available to you, including through CashPoints ATMs. We will not be responsible for deposits made by or through a depository not staffed by NCPAFCU or SECU personnel until we actually receive the deposits. We may, at our discretion, refuse any deposits.

Endorsement of Deposited Items: We may accept checks for deposit into any of your accounts if they are made payable solely to, or to the order of, one or more of the account owners, even if the check is not endorsed by all the payees. If you fail to endorse an item that you submit for deposit, we have the right, but are not obligated, to supply a stamped endorsement. We may, at our discretion, require that certain checks, including government checks or insurance company checks, be personally endorsed by each payee. You agree to reimburse NCPAFCU for any loss or expense we incur because you fail to endorse an item exactly as it is drawn.

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

Subsequent Verification of Deposits: All deposits are subject to our subsequent verification and adjustment, even if you have already withdrawn all or part of the deposit. Even though we provide you a receipt or acknowledgement, deposits are still subject to subsequent verification and adjustment.

Return of Direct Deposits: If, for any reason, we are required to reimburse the federal or state government or any other

depositor for all or any portion of any payment deposited into your account through a direct deposit plan, you agree that we may, without prior notice to you, deduct the amount returned from your account or from any other account you have with NCPAFCU, unless the deduction is prohibited by law. This right is in addition to any other rights NCPAFCU has under this Agreement and at law, including its right of setoff and lien.

Collection of Items

In receiving Items for deposit or collection, NCPAFCU acts only as your collecting agent and assumes no responsibility beyond the exercise of ordinary due care. Special instructions for handling an Item are effective only if we accept them in writing at the time we receive the Item in question. We are not responsible for errors or delays caused by others in the collection process. Delivery to NCPAFCU of Items for deposit, collection, credit, or payment will constitute your acceptance of these conditions.

Returned Items: If we cash an Item or deposit it into your account and, upon presentment to the obligated party, the Item is not paid for any reason (or we believe it will be returned unpaid), it may be charged back against your account (or any other account you have with us), even if the Item is not returned within any applicable deadlines. We can also charge back any Item drawn on us if, within the normal handling period for such an Item, it cannot be honored against the drawer's account. If an Item is returned to us after it was deposited or cashed because someone made a claim that the Item was altered, forged, unauthorized, or should not have been paid for some other reason, we reserve the right to either charge back the amount of such Item to your account or hold the amount of such Item in your account until a final determination as to the validity of that claim has been made. We may also charge back an Item or hold the amount of an Item if there is a problem which, in our judgment, justifies a reversal of credit. We are authorized to pursue collection of previously dishonored Items, and, in so doing, may permit the payor financial institution to hold an Item beyond the normal deadline to pay or return an Item.

Processing of Items: Items may be sent directly to the financial institution upon which they are drawn or at which they are payable, or they may be sent through collecting agents for collection and remittance.

Negative Balance

If your account has a negative balance for any reason, you agree to pay the amount of the negative balance without notice or demand from us. You agree that we may recover the amount of any negative balance from any deposit or transfer made to the account without prior notice. You also agree to reimburse us for any costs we incur in collecting the amount of any negative balance, including reasonable attorneys' fees and the costs of litigation. For joint accounts, each owner agrees that all of the owners are jointly and severally liable for all negative balances. Each owner also agrees that we may debit funds from any other account held by each owner to repay any negative balance. Account services may be restricted, and your account may be closed due to account mismanagement.

Checks and Other Withdrawals

We may require you to withdraw funds from your account upon notice. We may refuse any check or other Item or withdrawal request if it is not made in a manner specifically authorized for your type of account.

We utilize automated collection and processing procedures which rely primarily on information encoded onto each Item, whether or not that information is consistent with other information on the Item. You agree that NCPAFCU does not fail to exercise ordinary care in paying an Item solely because our automated procedures do not provide for sight review.

Stale and Post-Dated Items

Stale-Dated Items: We maintain the option, at our discretion, to either pay or dishonor any stale-dated Item (that is, a check presented more than six months after the date of the check) upon presentation to NCPAFCU. We may pay the Item, at our discretion, unless a stop payment order is in effect.

Post-Dated Items: You agree not to issue any post-dated Items. You further agree that we will not be liable to you for charging your account before the indicated date on a properly payable but post-dated Item unless you timely request a stop payment, and we have reasonable opportunity to act on the request, as described below.

Stopping Payment on Checks

You may request a stop payment order on any check drawn on your account. If the account is a joint account, any joint owner can stop payment of any item drawn on the account. If you want to stop payment on a check, you must act promptly to ensure we receive your request and have reasonable opportunity to act on it before the check is paid. As a result of advances in the check collection process, including the electronic exchange of check information, your checks may be presented for payment against your account much more quickly than in the past. Thus, to request a stop payment order, we recommend that you contact a local SECU branch, call (888) 732-8562, or sign on to Press Pass at www.ncpafcu.org. You may also send a written request to P.O. Box 26807, Raleigh, NC 27611, but keep in mind that we must receive your order in time to act on it. The stop payment order must describe the check with reasonable certainty (for example, the payee, account number, check number, and exact amount of the check). NCPAFCU will not be responsible for failing to stop payment of a check if you provide us with untimely, incorrect, or incomplete information. We may rely on any stop payment order made by you or any co-owner or agent.

Stop payment orders on checks remain in effect for 12 months. We may pay a check once the stop payment order expires. To continue the stop payment for another 12 months, you must request a new stop payment order. If you want the stop payment order to expire in less than 12 months, you may provide us written notice requesting to cancel the stop payment order. The cancellation request will not be effective until we receive the request and have a reasonable opportunity to act on it. In our sole discretion, we may decline a request to cancel a stop payment unless it is made by the same person who placed the stop payment.

Remotely Created Checks or Drafts

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

Cashier's Checks

SECU may issue cashier's checks payable to you or to a third party at your direction. Because cashier's checks are guaranteed funds, you may not cancel or put a stop payment on a cashier's check once it is issued. However, if the check becomes lost, stolen, or destroyed, SECU may replace the check according to the following procedures, subject to applicable law.

If you are the remitter or payee on a cashier's check that SECU issued that has been lost, stolen, or destroyed while in your possession, you can make a claim and request a replacement check. SECU may require you to sign a declaration of loss and indemnification agreement and to wait 90 days from the date of the check before SECU issues the replacement. There are some instances where SECU is legally required to pay a cashier's check that was reported lost, stolen, or destroyed even though a claim was made and a replacement check issued. If SECU issues a replacement cashier's check to you, and the original cashier's check is presented for payment under circumstances where SECU is legally required to pay it, you agree to immediately pay SECU the amount of the reissued check.

Account Balance and Posting Order

Account Balance: We use your Available Balance plus any Overdraft Transfer Balance you have when we determine if you have enough funds available to pay items or authorize transactions. Your Available Balance may not reflect every transaction or the final amount of every transaction you have initiated or authorized. For example, your Available Balance may not include the final settlement amounts for debit card transactions when:

- a merchant delays sending us the final settlement,
- a merchant requests authorization before you leave a tip, or
- the final amount is not yet known when the merchant requests authorization for a purchase.

One or more of the following account balances is available for you to review online, by calling Press for Info, or by visiting a local SECU branch.

- **Beginning Balance/Ending Balance:** The balance in your account after nightly processing.

- **Current Balance:** The Beginning Balance plus or minus Items in activity that have not yet been posted ("Activity Today"). This balance does not include funds in any accounts designated as protecting accounts for NCPAFCU's Overdraft Transfer Service. Items in Activity Today include transactions we have received but have not yet posted to your account. The Current Balance does not include Items such as scheduled BillPay transactions and checks you have written but have not yet cleared your account. If you check your balance using a CashPoints ATM, the Current Balance (but not the Available Balance) will be displayed.
- **Available Balance:** The Current Balance, minus any monetary holds or deposits pending. "Deposits pending" are funds from checks that have been deposited but are not yet available for use. This includes checks deposited at CashPoints ATMs, which are not made available until the first business day following the deposit date (the business day of the deposit). Deposits pending also includes merchant credits that have been received by the Credit Union but have not yet posted. "Monetary holds" are funds in an account on hold for any other reason, such as the proceeds of a transit check you deposit where availability of funds is delayed. The Available Balance does not include funds in any accounts designated as protecting accounts for NCPAFCU's Overdraft Transfer Service. For share accounts (including FAT CAT share accounts and Zard Share Accounts), Coverdell ESAs, or IRAs, where a minimum balance must be maintained, the Available Balance includes this required minimum balance amount; however, this balance amount cannot be transferred to another account for any purpose.
- **Overdraft Transfer Balance:** The sum of the Available Balance(s) in the protecting account(s), in whole dollars, less any required minimum balance for the protecting account(s) that cannot be transferred to another account for any purpose.

Posting Order: We post credit and debit Items to your account during nightly processing on days we are open for business. For purposes of this section, Items include fees. Credits increase your account balance and debits decrease your account balance. The order Items post to your account may differ from the order in which the transactions occur or we receive them. The order in which Items are posted may affect the total number of NSF Items you incur if you have insufficient funds to cover all Items.

We reserve the right to process and post Items to your account in any order at our discretion, and we may change the order or categories, including Items within a category, at any time without notice to you; however, we generally post Items to your account in the order described below:

We post deposits and other credits to your account first. After we post all deposits and other credits to your account, we post debits. We post debits in order according to categories. Within each category, we post debits from the lowest amount to the highest amount. We post all transactions for each category before posting transactions in the next category.

The categories of debits are listed below in the order in which they post:

1. **Authorized Debits:** Authorized debits are Items that we are obligated to pay because we provided authorization at the time you initiated the transaction. Prior to posting, authorized debits are included in your account's Activity Today and will affect your Available Balance because they are authorized at the time of the transaction. We later receive and post the final transaction, and the final amount posted may differ from the authorized amount appearing in Activity Today. The authorized debits category also includes certain account fees.
 - Examples of authorized debits include ATM withdrawals, transactions initiated with your debit card, on-us checks cashed in a branch or at an ATM, withdrawals performed in a branch, and automatic funds transfers such as loan or credit card payments.
 - The authorized debits category also includes the following authorized account fees: Wire Service Fees, ATM Usage Fees, Card Reissue Fees, International Transaction Fees, Copy Request Fees and any NSF Fees for Items that attempted but failed to clear the previous business day.
2. **ACH Debits:** ACH debits are debits to your account which are transmitted through the ACH system. We also post check order expenses in this category.
3. **Safe Deposit Box Rent:** Safe deposit box rent is drafted each year on the last business day in October.
4. **Checks and Paper Drafts:** Checks and other drafts you have written or authorized from your account.
5. **Other Fees:** Monthly maintenance fees, Per-Item fees, and any other miscellaneous fees charged.

Overdraft Transfer Service

NCPAFCU offers an Overdraft Transfer Service whereby available funds are transferred to the protected checking account (the "protected account") from designated NCPAFCU share accounts, money market share accounts, other checking accounts, and NCPAFCU lines of credit such as open-end signature loans, and (at the sole discretion of the Credit Union) Visa credit card accounts to help prevent the protected account from experiencing non-sufficient funds (NSF) activity or becoming overdrawn, which could result in fees. Each account you link to your protected account is called a "protecting account." To obtain this service, opt-in by completing and returning an opt-in form we provide to you.

Overdraft Transfers: When sufficient funds are not available to cover an Item presented for payment against your protected account, NCPAFCU automatically transfers available funds, if any, from your protecting account(s) to your protected account. You may designate up to two protecting accounts, a primary and a secondary protecting account, for each protected account. Funds are transferred, in whole dollar amounts, from the primary protecting account first. If available funds in the primary protecting account are insufficient to cover an Item posting to the protected account, a transfer is made in whole dollar amounts from the secondary protecting account.

Incremental Transfers: Overdraft transfers to the protected account are made in increments of \$50. However, if the amount available in the designated protecting account(s) is less than the incremental transfer amount, all funds available for transfer in the protecting account(s) (in whole dollars) are transferred unless there are insufficient available funds in the primary protecting account (and secondary protecting account, if applicable) to cover the Item. While the first \$25 of your share account balance is included in the Available Balance displayed online, it is not available for overdraft transfer.

Transfers from Line of Credit Accounts: Overdraft transfers from NCPAFCU open-end signature loans and credit cards are loan advances or cash advances, as applicable. These transfers are subject to the terms, including but not limited to the repayment period, of the applicable credit agreements and may not occur if the account is delinquent or considered in default. Loan advances and cash advances accrue interest from the date of the transfer. Interest is charged at the applicable interest rate under the credit agreement.

Conflicting Terms: The credit agreement governing any designated line of credit protecting account may contain provisions relating to Overdraft Transfer Service. In the event of a conflict involving Overdraft Transfer Service, the provisions of any applicable credit agreement will control, followed by the provisions of this Agreement and then the Overdraft Transfer Service Terms and Conditions. Overdraft Transfer Service is subject to change via amendments to any of these agreements, which will be communicated to you as required by law.

Checking Account Non-Sufficient Funds

NCPAFCU determines whether sufficient funds are available to pay an Item after the Item is received by NCPAFCU and before NCPAFCU's return deadline. Only one determination of the account balance is required.

We may assess a non-sufficient funds (NSF) fee each time an Item is presented for payment against your checking account and sufficient funds are not available to cover the Item. However, we will not assess an NSF fee if we identify a transaction as a Re-presentation.

Your Available Balance is subject to NCPAFCU's Funds Availability Policy and the order in which we process and post Items. If our determination reveals that sufficient funds are not available to pay an Item, NCPAFCU will not be required to pay the Item and may return it and, if we do not identify the transaction as a Re-presentation, assess an NSF fee. We do not distinguish between available and unavailable funds in the Beginning/Ending Balance that is displayed on your account statements and online, so it may appear that you had enough funds to cover an Item that was returned and for which you were charged an NSF fee. You may obtain your Available Balance online, by calling Press for Info, or by visiting a local SECU branch.

If you have enrolled in our Overdraft Transfer Service, NCPAFCU will transfer any funds available for transfer from the designated protecting account(s) to help prevent the protected checking account from incurring NSF fees or becoming overdrawn. See the Overdraft Transfer Service section. NCPAFCU is not required to send you notice of Items returned for non-sufficient funds. As the account owner, you are responsible for keeping track of your account balance to ensure that you have sufficient funds available to pay any Item you authorize. NCPAFCU may restrict account services or close your account if your account has excessive NSF activity and incurs excessive NSF fees or returned Items or is otherwise mismanaged.

The order in which we post items can affect the total number of NSF Fees you incur.

During nightly processing on business days, we post Items received for payment since the previous business day's cut-off time. For example, Items received on a Tuesday after cut-off time, and Items received on Wednesday up until cut-off time, post during Wednesday night processing. Different posting timeframes may apply depending on the effective date of the Item. Items often post in a different order than they were authorized. Please refer to the Account Balance and Posting Order section for more information about the posting order of Items.

Notice of Negative Information

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected on your credit report.

General Account Terms

Statements

Paper and Electronic Statements: We will provide periodic statements to you as required by law. We also offer large print statements on our share accounts, which are available upon request. Unless you have previously elected to receive electronic statements online through NCPAFCU's Press Pass (at ncpafcu.org), a paper statement will be mailed to the address shown in NCPAFCU's records.

Accounts, including individually and jointly owned accounts, can be combined on one statement. If your statement includes more than one account, any authorized signer on any of the accounts included on the statement will have access to the entire statement. Statements made available electronically are presented as maintained in the normal course of recordkeeping. Any person with online access to your account will be able to view all the information on the combined statement on which the account appears. Also, any person on jointly owned accounts will be able to view all the information on individual accounts of the other joint owners if these accounts are combined on one statement.

If any part of a statement is presented responsive to a court order, subpoena, or other legal process, or you ask us to produce a statement, we will present the entire statement as maintained in the normal course of recordkeeping.

Reviewing Your Statement: You agree to review your account statements carefully and promptly. If you believe there is an error of any type on your statement, including a missing Item, you must immediately notify us as soon as you notice the error.

You agree that unless prohibited by law **we will not be liable for paying or charging any erroneous Item if you have not reported it to us in writing within 60 calendar days of the date of the statement first containing the erroneous Item**. Types of erroneous Items include unauthorized checks (including counterfeit checks, altered checks, and checks with unauthorized or missing signatures and/or endorsements), encoding errors, unauthorized or incorrect fees, unauthorized withdrawals or other debit transactions, missing, diverted or unauthorized deposits, or any other type of error, other than electronic fund transfer errors.

If you report these types of erroneous Items to us, you agree to cooperate with us in our investigation and prosecution of your claim and with any attempt to recover the funds. Unless prohibited by law, we may require you to provide us with an affidavit about the circumstances of your reported erroneous Item(s) and any other reasonable information we may request, and to file reports with the appropriate law enforcement agencies. Subject to applicable law, if you do not cooperate fully with us in our investigation or recovery efforts, the reported erroneous Items were not unauthorized, or we otherwise determine no error exists, the statement on which these Items appear will be considered correct, and you will be responsible for the full amount of the Item(s) charged to your account.

Mailing Address: You agree to notify us promptly of any change in your contact information. We may rely on any instructions made by you, or on your behalf, including by any co-owner or agent, to change your contact information or mode of statement delivery without liability. We may also rely on our receipt of a notification of an address change from the U.S. Postal Service or its agents. If you receive paper statements, we mail a copy of the paper statement to one address per statement. We have no obligation to mail the statements to any other account owner or other address on file.

You agree to notify us immediately if you believe you are not receiving your correspondence from NCPAFCU. If a statement is returned undeliverable, or we otherwise receive notice that it is undeliverable, we may stop mailing statements until we receive verification of your mailing address. We may destroy undelivered statements, along with any accompanying Items. However, copies of any undelivered statements and paid Items will still be made available to you upon your request, subject to any applicable fees and our legal obligation to maintain copies of statements and Items. Therefore, if we stop mailing your statements as described in this paragraph, you agree that your statements and Items have been "made available" to you as of the date of the statement for purposes of your responsibility to promptly review your statements and report any erroneous Items to us.

Communications with NCPAFCU

We may accept and act upon instructions from you to open accounts, transfer all or any portion of the balance of your accounts, close your accounts, process a change of account information, or obtain any other deposit services from NCPAFCU. We may accept instructions you give verbally or in writing, whether in person, by telephone, electronic communication or by any other reasonable method. We may accept and act on such instructions that do not contain your signature with the same effect as if such instructions were signed by you. However, we may, in our discretion, require your original signature or any other documentation before accepting and acting upon your instructions.

Opening Additional Accounts

Some types of NCPAFCU accounts can be opened by referencing a previously signed account signature form.

Referencing means that a new account is opened, and a new account signature form is created, referencing the instruction(s) and signature(s) of the owner(s) on an existing account signature form.

Members can open an individual account by referencing the account signature form of certain accounts on which the member is an owner. Any joint account owner has sole authority to open a joint account referencing the account signature form of an existing joint account without the knowledge, consent or joinder of the other joint owners, provided the joint owners on the referenced account signature form are identical to the joint owners on the new account.

You agree that new accounts can be opened by referencing existing accounts and that a joint owner, acting as agent for the other co-owners of an existing joint account, can independently open another joint account in the name of the same joint owners, and all owners on joint accounts are jointly and severally liable for the debts of the account, regardless of whether the account is opened through referencing. Account owners on all jointly held accounts have rights of survivorship.

Certain types of accounts, such as IRA and POD accounts, cannot be opened by referencing a previously signed account signature form and cannot serve as the signature reference for a new account.

Taxpayer Identification Number and Backup Withholding

Your failure to furnish a correct Social Security or other Taxpayer Identification Number (TIN) or meet other Internal Revenue Service (IRS) requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the IRS a percentage of dividends and certain other payments. If you fail to provide your TIN, we may decline to open your account.

Statutory Lien; Right of Setoff; Security Interest

Statutory Lien: When you open an account, you grant NCPAFCU a statutory lien on the shares, deposits, and accumulated dividends in your jointly and individually owned accounts to the extent of any amounts owed to NCPAFCU at any time. If you fail to satisfy a financial obligation due and payable to NCPAFCU, we may enforce the statutory lien without further notice to you, except where prohibited by law.

Right of Setoff: We may, without prior notice, set off all the shares, deposits, and accumulated dividends in your jointly and individually owned accounts against any due and payable amount you owe us now or in the future, except where prohibited by law.

Security Interest: You assign, pledge, and grant NCPAFCU a security interest in all shares and deposits, and earnings on shares and deposits, which you now have or may have in the future, at NCPAFCU as security for any indebtedness now owing or arising with NCPAFCU in the future, except where prohibited by law and for indebtedness which is itself secured by your residential real estate.

We may exercise or enforce our statutory lien, right of setoff, or security interest against any account at any time, and each shall survive the death of the account holder. We will not, however, exercise or enforce our statutory lien, right of setoff, or security interest where prohibited by applicable law (including the Military Lending Act).

Holding Funds in Your Account

We reserve the right to place a hold on funds in your account and/or to prevent any deposits from being made to your account, for a reasonable period of time, in our sole discretion, and without prior notice to you, when:

- we have a right of setoff or may enforce our lien;
- we comply with a court order or other legal process;
- we have been notified, or we reasonably believe, there exists a legitimate dispute among any parties who have or claim an interest in your account;
- we believe or suspect the account is involved in fraud;
- we in good faith believe we have a claim against you or the funds in your account; or
- something has occurred or is reasonably expected to occur that may result in our having a claim against you or the funds in your account.

Disputes Involving Your Account

If we have been notified of, or we reasonably believe there exists, a dispute among any parties who have or claim an interest in your account, we may, at our discretion:

- continue to rely on the account signature forms and other account documents incorporated therein;
- pay the funds to an appropriate court of law or equity for resolution;
- honor the competing claim upon receipt of evidence we deem satisfactory to justify such claim;
- require that the parties agree in writing to any transaction concerning the account;
- require a court order to act; and/or

- close the account and pay the proceeds to all who have or claim an interest in the account or to the account owner(s) as indicated in our records.

You, your estate, and your successors-in-interest agree to indemnify and hold NCPAFCU harmless from and against all claims, actions, costs, and liabilities arising out of or relating to actions taken in opening and maintaining your account, making distributions upon notice of the death of the last surviving account holder pursuant to the terms of this Agreement and any conflicting designations of the funds in your account by will, revocable living trust, or any other instrument.

Limitation of Liability/Indemnification

NCPAFCU serves only as a depository for the funds in your account, and we do not owe you a fiduciary duty with respect to your account unless we explicitly agree otherwise in writing. Our responsibility to you and to your account is limited to the exercise of ordinary care as established by the reasonable commercial standards for financial institutions.

Except as prohibited by law, we will not be liable to you for any claim, loss, cost, or damage caused by events or circumstances beyond our reasonable control, even if they were foreseeable, including extreme weather, natural disasters, fire, floods, pandemics, measures of any government authority, civil disorder, labor strikes, and terrorism or threats of terrorism, as well as loss of electrical power, the breakdown or failure of any private or common carrier communication or transmission facilities, or suspensions of payments by another financial institution. In particular, NCPAFCU is not liable to you if such an event or circumstances prevent us from, or delay us in, performing our obligations for a service, including acting on a payment order, crediting a fund transfer to your account, processing a transaction or crediting your account. Our liability to you for any act or failure to act will not exceed any direct resulting loss, if any, which you incur, and payment of any dividends. In any case, we will not be liable for any special, incidental, exemplary, punitive or consequential losses or damages of any kind, regardless of whether you informed us of the possibility of such damages, unless required by law.

You agree to reimburse NCPAFCU for all claims, costs, losses, and damages we may incur, including reasonable attorneys' fees, in connection with your account, except to the extent caused by our failure to exercise ordinary care, or if prohibited by law. Your liability will be joint and several. We may charge any of your accounts with us for any such losses, liabilities or expenses without prior notice to you. With respect to your act, omission, negligence or fault, and specifically in connection with overdrafts or returned deposits to your account, you agree to reimburse NCPAFCU for all claims, costs, losses and damages, including fees paid for collection, unless prohibited by law. Nothing in this Agreement shall be construed to limit any rights or defenses available to us, or any warranty, indemnity or liability imposed on you, under applicable state or federal laws or regulations or any separate agreements applicable to your accounts.

Legal Process Against Your Account

We may comply with any legal process we believe is valid and to which we believe we are required to respond and comply. We may, at our discretion, accept legal process by mail, electronic mail, facsimile, or any other means at any location where we do business. NCPAFCU is not liable to you for releasing information or remitting funds in compliance with legal process, including subpoenas, attachments, executions, garnishments, levies, restraining orders, injunctions, or warrants. We may charge your account a service fee for such compliance, which fee will be disclosed in our *Fees and Terms* disclosure. In addition, you agree that NCPAFCU is generally under no obligation to object to or otherwise contest on your behalf any legal process brought against your account, and we will not send you notice of the legal process unless required by law to do so. Notwithstanding the foregoing, we acknowledge that funds you have on deposit with us may be exempt from, or be protected against, claims of judgment creditors under federal and/or state law, and we expressly do not require you to waive any of these protections or exemptions, or any claims you may have against us, that apply to these protections and your exemption rights.

NCPAFCU will not be liable to you for any sums we may be required to hold or pay because of legal process against your account, even if holding or paying funds from your account leaves insufficient funds to pay checks or other items from your account. All funds held in a joint account can be used to satisfy any legal process against you, your account, or any joint owner. Legal process against your account is subject to NCPAFCU's lien and right of setoff in accordance with applicable law.

Assignments, Pledges, and Transfers

NCPAFCU will not recognize any assignment, pledge, transfer or grant of your account, or any interest in it, to anyone other than NCPAFCU.

Zero Balance and Abandoned Accounts

We may close your account (other than a CPG or Holiday Cash Club) if your account has a zero balance.

If your account has a positive balance, but there have been no transactions on your account, or owner-initiated activity

with respect to your account, within the period specified by applicable state law, the account will be presumed to be abandoned. The Credit Union reports and remits funds from abandoned accounts to the state in a process known as escheatment. Once funds have been turned over to the state, we have no further liability to you for such funds. If you choose to reclaim these funds, you must contact the appropriate state department or agency that handles abandoned property within the time period established by state law.

Your Membership and Maintaining Your Accounts Responsibly

Our Expectations: In order to maintain full use of and access to all of NCPAFCU's products and services, we required that you meet our expectations regarding how you handle yourself, your finances, and your accounts as follows:

- Maintain the applicable minimum par shares value in at least one share account;
- Prevent delinquency on any NCPAFCU loan;
- Maintain accounts responsibly to avoid account closure (other than due to zero balance);
- Honor financial obligations so as not to reflect discredit upon NCPAFCU;
- Use the products or services offered by NCPAFCU responsibly; do not engage in fraudulent, illegal, dishonest, or deceptive activities;
- Carry out and/or comply with the agreements you have made with NCPAFCU;
- Refrain from belligerent, abusive, intemperate, or threatening demeanor or behavior that disturbs the activities of NCPAFCU and its membership, including verbally or otherwise abusing or threatening staff or other members; and
- Avoid causing a financial loss to NCPAFCU.

Failure to abide by these expectations can result in the loss of services, closure of accounts, and/or expulsion from membership.

Suspension of Services/Closing Your Account: NCPAFCU, in its sole discretion, may close your account, or deny your access to specific services, without prior notification unless required by law, (1) if you breach any terms of this Agreement, (2) if we, in our sole discretion, determine continued maintenance of the account exposes NCPAFCU to risk, including risk of financial loss, or (3) for any other reason not prohibited by applicable law.

This Agreement, which includes the Arbitration Provision, will continue to govern matters related to your account after it is closed. You will remain liable for checks and other transactions in process and for the payment of any accrued fees if we close your account. If we receive a deposit for credit to your account after it has been closed, we may, at our sole discretion, return the deposit, reopen your account and accept the deposit, or redirect the deposit into another account owned by you.

Actions Warranting Suspension of Services and/or Termination of Membership: Actions that may warrant suspension of services, account closure and/or termination of membership include, but are not limited to:

- Providing false or fraudulent information or documentation in an attempt to join NCPAFCU, receive a product or service, or originate a loan;
- Providing fraudulent eligibility information to assist a non-member in joining NCPAFCU;
- Passing counterfeit currency;
- Passing fraudulent, forged, or worthless checks, or kiting checks;
- Structuring transaction in an attempt to avoid required government filings;
- Using an NCPAFCU account to commit fraudulent or illegal activity, including unlawful transactions;
- Using an NCPAFCU account to engage in activity that is suspicious or otherwise potentially indicative of fraudulent or illegal activity or activity that is not allowed under this Agreement;
- Using an NCPAFCU account to defraud others;
- Repeatedly participating in scam activity despite receiving advice and counseling; or
- Conducting non-consumer transactions or otherwise using an account for business purposes.

Termination of Membership: A member may be expelled from NCPAFCU only in the manner provided by law. Expulsion or withdrawal from NCPAFCU will not operate to relieve a member of any liability to NCPAFCU. All amounts paid on shares, deposits, or other accounts held by expelled or withdrawing members, prior to their expulsion or withdrawal, will be paid in the order of their expulsion or withdrawal, but only as funds become available and only after deducting any amount due from such member to NCPAFCU.

Arbitration

YOU HAVE THE RIGHT TO OPT OUT OF (NOT BE BOUND BY) THIS ARBITRATION PROVISION AS DESCRIBED IN THE "OPT-OUT" SUBSECTION BELOW. If you do not opt out and a Claim, as defined in the "Disputes Subject to Arbitration" subsection below is arbitrated, neither you nor we will have the right to: (1) have a court or a jury decide the Claim; (2) engage in information-gathering (discovery) to the same extent as in court; (3) participate in a class action, private attorney general action or other representative action in court or in arbitration; or (4) unless all parties otherwise agree in writing, join or consolidate a

Claim with claims of any other person or entity.

General: This Arbitration Provision describes when and how a Claim (as defined in the "Disputes Subject to Arbitration" subsection below) may be arbitrated. Arbitration is a method of resolving disputes in front of one or more neutral persons (the "arbitrator") instead of having a trial in court in front of a judge and/or jury. It can be a quicker and simpler way to resolve disputes. Arbitration proceedings are private and less formal than court trials. Each party to the dispute has an opportunity to present some evidence to the arbitrator. The arbitrator will issue a final and binding decision resolving the dispute (the "award"), which may be enforced as a court judgment. A court rarely overturns an arbitrator's decision.

Governing Law: This Arbitration Provision is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (the "FAA"), and not by any state arbitration law.

Special Definitions: Solely for purposes of this Arbitration Provision, "we," "us," and "our" mean (1) North Carolina Press Association Federal Credit Union, each of its subsidiaries, affiliates, successors and assigns, and any of their employees, officers, directors and agents; (2) any servicer of your account; and (3) any other third party that you name along with us as defendants in a single proceeding.

Opt-Out Process: If you do not want this Arbitration Provision to apply, you may reject it by mailing us a written opt-out notice which specifies your name and address, identifies the applicable account(s), and includes a signed statement that you opt out of the Arbitration Provision. The opt-out notice must be signed by you and sent to us by mail (not electronically) at Credit Union, Attn: ARBITRATION, P.O. Box 28327, Raleigh, NC 27611. You should retain a copy of your opt-out notice and evidence of mailing.

Any opt-out notice is effective only if it complies with the preceding requirements and is postmarked within thirty (30) days after the date you opened your account.

This is the only way you can opt out of the Arbitration Provision. Your decision to opt out will not have any other effect on this Agreement or your account with us. If you don't reject this Arbitration Provision, it will be effective as of the date you first opened your account. If an account is jointly owned, one owner's rejection of this Arbitration Provision will be deemed to be a rejection by all joint owners. In all other circumstances, your rejection of this Arbitration Provision will not be deemed to be a rejection of this Arbitration Provision by any person or entity other than you. If you have more than one account with us, and wish to opt out of the Arbitration Provision for multiple accounts, and are still within the 30-day time period for opting out of the Arbitration Provision for said accounts, please include in your written opt out notice each account for which you wish to opt out of the Arbitration Provision. In all other circumstances, your decision to opt out of the Arbitration Provision applies only to the applicable account and not to any other accounts you have with us. Moreover, we offer a number of different products and services to our customers. If you opt out of arbitration for one or more accounts governed by this Agreement, this opt-out will not affect any other arbitration provision that may exist between you and us, now or in the future, in connection with other products or services you obtain from us. Any such arbitration provision will remain in force unless you separately opt out of it in accordance with its terms. For example, if you also have a credit card account with us, opting out of this Arbitration Provision will not constitute an opt out of any arbitration provision that may apply to the credit card account.

Disputes Subject to Arbitration: You or we may elect to have "Claims" arbitrated rather than resolved in court. The term "Claim" means any past, present or future claim, dispute or controversy between you and us that in any way arises from or relates to this Agreement or your account. "Claim" has the broadest reasonable meaning and includes, without limitation: (1) initial claims, counterclaims, cross-claims and third-party claims; (2) disputes based upon contract, negligence, fraud and other intentional torts, constitution, statute, regulation, ordinance, common law and equity; (3) data breach or privacy claims arising from or relating directly or indirectly to our disclosure of any non-public personal information about you; (4) disputes concerning your application or other information you gave us before opening your account; (5) any account(s) you previously had with us; (6) disputes arising from or related to debit cards or any other cards, products or services provided by or purchased or obtained from us in connection with your account; (7) disputes arising from or related to any transactions in connection with your account; (8) disputes arising from or related to any advice, recommendations, solicitations, communications, disclosures, promotions or advertisements concerning your account; (9) claims brought in a direct, derivative, assignee, survivor, successor, beneficiary or personal capacity; (10) disputes concerning any fees or charges relating to your account or this Agreement (for example non-sufficient funds charges and safe deposit box rental fees), any products or services relating to your account (for example, ATMs and our online or Member Services Support), and communication methods and practices we may use to service your account; and (11) disputes arising from or related to the relationship(s) between you and us resulting from any of the foregoing. Claims are subject to arbitration even if they arise out of or relate to actions, omissions, transactions, facts, or conduct that occurred prior to the date of this Agreement. However, this Arbitration Provision will not apply to any Claim that was already pending in court before this Arbitration Provision took effect.

Disputes Not Subject to Arbitration: Notwithstanding the foregoing, the following disputes are not required to be arbitrated: (1) disputes that are within the jurisdiction of a small claims court (or an equivalent court). You or we may bring an action in small claims court or, if an arbitration demand has been made, instruct the arbitration administrator to close the case because the dispute should be decided by (2) a small claims court. However, if the dispute is transferred, removed, or appealed from small claims court to a different court, you or we may elect to compel arbitration. Moreover, if you or we bring a counterclaim or cross-claim that is for more than the small claims court's jurisdiction, the entire dispute must, if you or we choose, be resolved by arbitration; and (2) disputes about the validity, enforceability, coverage or scope of this Arbitration Provision or any part thereof (including, without limitation, the Class Action Waiver), which are for a court and not an arbitrator to decide. However, any dispute or argument that concerns the validity or enforceability of this Agreement as a whole is for the arbitrator, not a court, to decide.

In addition, this Arbitration Provision does not prohibit you or us, at any time, from (1) exercising any lawful rights to preserve or obtain possession of property or self-help remedies, including but not limited to, the right to set-off or exercise a statutory lien or other lien granted by law or rule, the right to restrain funds in an account, recoupment, repossession, replevin or trustee's sales; (2) obtaining provisional or ancillary remedies or injunctive relief (other than a stay of arbitration), including but not limited to attachment, garnishment, interpleader or the appointment of a receiver by a court of appropriate jurisdiction; or (3) bringing an individual action in court that is limited to preventing the other party from using a self-help or non-judicial remedy and that does not involve a request for damages or monetary relief of any kind.

Starting or Electing Arbitration: You or we may start an arbitration by filing a demand with the arbitration administrator pursuant to the administrator's rules. You or we may also require arbitration of a Claim filed in court by filing a motion with the court to compel arbitration of the Claim. Even if you and we have chosen to litigate a Claim in court, either party may elect arbitration of a new Claim or of a Claim made by a new party in that or any related or unrelated lawsuit.

Choosing the Administrator: The party who commences the arbitration may select either of the following arbitration organizations to administer the arbitration under their rules that apply to consumer disputes: the American Arbitration Association ("AAA"), 120 Broadway, Floor 21, New York, NY 10271 [(800) 778-7879], www.adr.org; or JAMS, 1920 Main St. at Gillette Ave., Suite 300, Irvine, CA 92614 [(800) 352-5267], www.jamsadr.com. Moreover, in the event of a mass arbitration (as defined by the rules of the applicable arbitration administrator), the parties expressly agree that (a) if AAA is the administrator, its Mass Arbitration Supplementary Rules shall apply, and (b) if JAMS is the administrator, its Mass Arbitration Procedures and Guidelines shall apply. You can obtain a copy of the administrators' rules by visiting their websites or calling them. The parties may also mutually agree to select an arbitrator who is an attorney, retired judge or arbitrator registered and in good standing with a bona fide arbitration association and arbitrate pursuant to the arbitrator's rules. If AAA and JAMS cannot or will not serve, and the parties are unable to select an arbitrator by mutual consent, a court with jurisdiction will select the administrator or arbitrator, who must agree to abide by all of the terms of this Arbitration Provision (including, without limitation, the Class Action Waiver). Any arbitrator must be a practicing attorney with ten or more years of experience practicing law or a retired judge. If a party files a lawsuit in court asserting Claim(s) that are subject to arbitration and the other party files a motion to compel arbitration with the court which is granted, it will be the responsibility of the party prosecuting the Claim(s) to select an arbitration administrator in accordance with this paragraph and commence the arbitration proceeding in accordance with the administrator's rules and procedures.

Jury Trial Waiver: IF YOU OR WE ELECT TO ARBITRATE A CLAIM, YOU AND WE WILL NOT HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM.

Class Action Waiver: ANY ARBITRATION MUST BE ON AN INDIVIDUAL BASIS ONLY. THIS MEANS THAT IF YOU OR WE ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO: (1) PARTICIPATE IN A CLASS ACTION OR OTHER REPRESENTATIVE ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR OTHERWISE; OR (2) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION. ALSO, ABSENT THE WRITTEN CONSENT OF ALL PARTIES, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO JOIN OR CONSOLIDATE A CLAIM WITH CLAIMS OF ANY OTHER PERSON OR ENTITY. An arbitration award shall determine the rights and obligations of the named parties only, and only with respect to the Claim(s) in arbitration. No arbitration administrator or arbitrator shall have the power or authority to waive or modify this section, and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable.

Location and Costs of Arbitration: Any arbitration hearing that you attend in person must take place at a location reasonably convenient to the parties or as otherwise agreed to by the parties or ordered by the arbitrator. Each administrator charges filing and administrative fees and the arbitrator also charges fees. The parties shall pay said fees in accordance with the administrator's rules. However, if you tell us in writing that you cannot afford to pay the fees charged by the arbitration organization and that you were unable to obtain a waiver of fees from the administrator, and if your request is reasonable and in good faith, we will pay or reimburse you for all or part of the fees charged to you by the arbitration organization and/or arbitrator. The parties shall also bear the fees and expenses of their own attorneys, experts

and witnesses unless otherwise required by applicable law, this Agreement or the administrator's rules. If we prevail in an individual arbitration that either you or we commenced, we will not seek to recover our attorney, expert or witness fees or our arbitration fees from you. Notwithstanding the foregoing, if the arbitrator determines that any party's claim or defense is frivolous or wrongfully intended to oppress or harass the other party, the arbitrator may award sanctions in the form of fees and expenses reasonably incurred by the other party if such sanctions could be imposed under Rule 11 of the Federal Rules of Civil Procedure.

Law Applied by the Arbitrator: The arbitrator must apply applicable substantive law consistent with the FAA and applicable statutes of limitations and claims of privilege recognized at law. The arbitrator is authorized to award all remedies permitted by the substantive law that would apply in an individual court action, including, without limitation, punitive damages (which shall be governed by the Constitutional standards employed by the courts) and injunctive, equitable and declaratory relief (but only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual Claim). Any finding, award or judgment from an arbitration of any Claim shall apply only to that arbitration. No finding, award or judgment from any other arbitration shall impact the arbitration of any Claim.

Right to Discovery: In addition to the parties' rights to obtain discovery pursuant to the arbitration rules of the administrator, either party may submit a written request to the arbitrator to expand the scope of discovery normally allowable under the arbitration rules of the administrator. The arbitrator shall have discretion to grant or deny that request.

Arbitration Award and Right of Appeal: At the timely request of either party, the arbitrator shall provide a written explanation for the award. However, if the amount in controversy exceeds \$50,000, you or we can, within 15 days after the entry of the award by the arbitrator, appeal the award to a three-arbitrator panel administered by the administrator. The panel shall reconsider anew any aspect of the initial award requested by the appealing party. The decision of the panel shall be by majority vote. Reference in this Arbitration Provision to "the arbitrator" shall mean the panel if an appeal of the arbitrator's decision has been taken. The costs of such an appeal will be borne in accordance with the paragraph above titled "Location and Costs of Arbitration." The original award or any subsequent award on the appeal described above shall be final and binding, subject to any further appeal rights under the FAA, and may be entered as a judgment by any court having jurisdiction.

Rules of Interpretation: This Arbitration Provision is binding upon and benefits you, your respective heirs, successors and assigns, and us and our respective successors and assigns. This Arbitration Provision shall survive (1) the repayment of amounts owed under this agreement; (2) any legal proceeding; (3) any sale, assignment or transfer of your account; (4) any bankruptcy to the extent consistent with applicable bankruptcy law; (5) any default, breach or repossession; (6) any termination, cancellation, closure, suspension or non-renewal of this agreement, your account or credit privileges; and (7) any termination, amendment, expiration or performance of any transaction between you and us. In the event of a conflict or inconsistency between this Arbitration Provision, on the one hand, and the applicable arbitration rules or the other terms of this agreement, on the other hand, this Arbitration Provision shall govern. Any changes to this Arbitration Provision will apply only prospectively unless we give you a right to opt out of the change or the entire Arbitration Provision.

Severability: If any portion of this Arbitration Provision is held to be invalid or unenforceable, the remaining portions shall nevertheless remain in force, subject to two exceptions: (1) if a determination is made that the Class Action Waiver is unenforceable, and that determination is not reversed on appeal, then the Arbitration Provision (except for this sentence) shall be void in its entirety; and (2) if a court determines that a public injunctive relief Claim may proceed notwithstanding the Class Action Waiver, and that determination is not reversed on appeal, then the public injunctive relief Claim will be decided by a court, any individual Claims will be arbitrated, and the parties will ask the court to stay the public injunctive relief Claim until the other Claims have been finally concluded.

Notice and Cure: Prior to initiating a lawsuit or an arbitration proceeding under this Arbitration Provision, you or we, as applicable, shall give the other party written notice of the Claim (a "Claim Notice") and a reasonable opportunity, not less than 30 days, to resolve the Claim. Any Claim Notice to you shall be sent in writing by mail to the address you provided in connection with your account (or any updated address you subsequently provide). Any Claim Notice to us shall be sent by mail to Credit Union, Attn: CLAIM NOTICE, P.O. Box 28327, Raleigh, NC 27611 (or any updated address we subsequently provide). Any Claim Notice you send must include your name, address, and information sufficient to identify your account and explain the nature of the Claim and the relief demanded. You may only submit a Claim Notice on your own behalf and not on behalf of any other party. The party giving a Claim Notice must reasonably cooperate in providing any information about the Claim that the other party reasonably requests.

Safety

The **National Credit Union Share Insurance Fund** (NCUSIF) of the National Credit Union Administration (NCUA) insures member deposits up to \$250,000 (and potentially more through different account ownerships). This insurance coverage is automatic and is provided at no additional member cost. Insurance coverage by the NCUA is provided on all types of

share accounts currently offered by NCPAFCU.

For more information about NCUA share insurance coverage, please see our *NCUA Share Insurance* webpage, which is accessible through the Federally Insured by NCUA link at www.ncpafcu.org, or contact a local SECU branch.

For information about safety at ATMs, please visit www.ncpafcu.org.