

This is the Agreement between you, the member, and Baylands Family Credit Union ("Credit Union"), regarding your accounts with the Credit Union. By establishing an account with the Credit Union, you agree that this Agreement is a binding contract between you and the Credit Union.

You should retain a copy of the agreement and feel free to call the Credit Union if you have any questions. In addition to your agreement with the terms and conditions set forth in this document, by establishing an account with the Credit Union you acknowledge receipt of and agree to the various terms provided to you with regard to Truth in Savings, Availability of Funds, Electronic Fund Transfers (EFT) and Wire Transfer Disclosures. The various terms and conditions set forth in those documents are incorporated into this Agreement by reference. You also agree to abide by the Bylaws of the Credit Union.

This Agreement and those documents discussed above include certain disclosures required under the Truth-In-Savings Act and National Credit Union Administration and Federal Reserve Board regulations and commentary, the Electronic Fund Transfer Act (Regulation E), the Virginia Electronic Funds Transfers Act, the Funds Availability Act (Regulation CC), Regulation D, and Uniform Commercial Code Article 4A.

Throughout this Agreement, the words "you" and "your" mean the member and any joint members or co-depositors or co-borrowers. The words "we", "our", "us", and "Credit Union" mean Baylands Family Credit Union.

Membership

Membership Eligibility. Baylands Family Credit Union's field of membership is based on a common bond of people. This field of membership consists of persons who live, work, worship, attend school, and businesses and other legal entities located in the following counties: Chesterfield, Essex, Middlesex, Mathews, Gloucester, King & Queen, King William, New Kent and James City.

Family Membership. Our membership also includes, if sponsored by a Member in Good Standing, spouses of members and children (by blood, marriage or adoption) of members; surviving spouses of a deceased member who joined the Credit Union prior to the member's death; members of the immediate families of the foregoing to include father, mother, brother, sister, son, daughter, grandmother, grandfather, and spouse or includes anyone living in Your residence that You maintain a single economic unit with; organizations of such persons, and other groups as listed in Credit Union's bylaws. Membership in the Credit Union is a lifetime membership provided that you keep your membership in good standing. The Credit Union's bylaws provide that "once a member, always a member" so that even if you retire, change jobs (outside the field of membership) or move to a new location, you may remain a member of the Credit Union. Only members in good standing may receive the benefits and services of the Credit Union.

Becoming a Member. To become a member of the Credit Union, you must complete a Member Application and Signature Card and open a Primary Share Account. The basic share deposit that you must always keep in your Share Savings Account is \$5.00. Baylands Family Credit Union is a member-owned state chartered Credit Union providing a full line of financial services to the financial needs of our Members. Please review our website at www.baylandsfcu.org for membership information and an on-line application. Membership in the Credit Union is a lifetime membership provided that you keep your membership in good standing. The Credit Union's bylaws provide that "once a member, always a member" so that even if you retire, change jobs (outside the field of membership) or move to a new location, you may remain a member of the Credit Union. Only members in good standing may receive the benefits and services of the Credit Union.

Credit Information. You authorize the Credit Union to investigate your credit standing when opening or reviewing any Account. We may report information about your loan account(s) to credit bureaus. Late payments, missed payments, or other defaults on your loan account(s) may be reflected in your credit report. You also authorize the Credit Union to disclose information regarding your Account to credit bureaus and creditors who inquire about your credit standing.

Deposits Generally. After you have established your Primary Share Account, you may make additional deposits into that account, or establish other types of accounts as described herein, at any time and in any amount. Your accounts are not transferable except on the Credit Union's books and records. We may establish minimum amounts for deposits in your Primary Shares Account or any other accounts you have with the credit union.

You can make deposits in person or by mail. At the present time, you can arrange to have one or more of the following deposits made directly to your accounts: (1) payroll deduction deposits, (2) net pay deposits, (3) Social Security deposits, (4) pension plan deposits, (5) stock dividends or (6) other miscellaneous deposits. If you have an automatic teller machine (ATM) card or a debit card, you can also make a deposit through one of the automated teller machines equipped to accept deposits.

If you have applied for and been given access to our Online Banking Internet PC Teller Service, you can also transfer funds from one account to another.

If you have arranged to have direct electronic fund transfer deposits made to your account at least once every 60 days from the same person or company, you can call the Credit Union at (804) 843-2520 or (888) 843-2520 to find out whether or not the deposit has been made. In addition, you will receive an account statement showing all such direct deposits at least monthly. Your account statements will be admissible as evidence of the electronic fund transfer deposit or other transaction they represent in any action in a court of law.

All deposits are subject to proof and verification. If you deposit a check, draft or other non-cash item, we have the right to clear it before we make the money available to you subject to applicable federal regulations. If there are special fees for collecting your deposit, you promise to pay them (see the Truth in Savings Fee Schedule for a list of fees). We may deduct such fees directly from your account. If we feel there is a reason to do so, we may refuse, limit or return any deposit. We have the right to refuse to accept any deposit and we specifically reserve the right to refuse to accept checks for deposit that have more than one endorsement. We reserve the right not to pay interest on amounts subject to garnishment, levy or other legal process; and we reserve the right not to pay interest on any deposit that is returned to us unpaid by the financial institution on which it is drawn (even if that means a reversal of credited interest).

All negotiable instruments presented for deposit must be in a format that can be processed and/or photographed. The Credit Union may refuse to accept any check or draft that does not meet this requirement. All endorsements should be placed on the reverse side of any check or draft which you deposit to your account must be placed so that they are on the left side of the item when looking at it from the front and must be placed so they do not go beyond an area located 1 and ½ inches from the left edge of the item when looking at it from the front. The Credit Union may refuse to accept any item that does not meet this requirement, and, if the credit union does accept it, you agree that you are completely responsible for any loss we incur which is premised on an endorsement not meeting this requirement, including any court costs and reasonable attorney fees.

Withdrawing Money from Your Account. As long as you have money in an account, and subject to any applicable state or federal laws and regulations and any specific terms of this Agreement, money can be withdrawn from your accounts by any method approved by the Credit Union.

Fees. Any Account may be subject to service charges in accordance with the fee schedule adopted by the Credit Union from time to time. You should refer to the Truth in Savings Fee Schedule for a list of fees. These fees may be changed at our discretion. We will provide you notice of such changes in accordance with law.

Transaction Limitations. During any monthly period and for all accounts, except for Share Draft accounts, you may not make more than six transfers or withdrawals, or a combination of such transfers and withdrawals, from any account to another account or to a third party by means of a preauthorized automatic transfer, Debit Card transfer, internet online computer transfer, telephonic order or instruction, fax, or similar order to a third party. If you exceed the transfer limitations set forth above in any month with respect to one of your accounts, your account may be charged additional fees for any

additional transactions, or that account may be closed at the discretion of the Credit Union. Please refer to the Truth-in-Savings Disclosure for more information regarding transaction limitations.

Unlawful Internet Gambling Notice. Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

Power of Attorney. If you appoint an agent as your Attorney-in-Fact with a Power of Attorney document and we accept the documentation presented for such an appointment, we may accept such an authorization for transactions without further communication to you. Unless your Power of Attorney document specifically prevents you from entering into transactions, we may accept either your personal transactions and/or those authorized by your appointed "Agent".

Special Terms Regarding Share Draft Accounts

Deposits Generally. Once you have established your Share Draft Account, you may make additional deposits into that Share Draft Account at any time and in any amount subject to the terms of this Agreement. There is no minimum deposit for your Share Draft Account, however, you must maintain a minimum balance of \$5.00 in your primary share account at all times. The above terms regarding "deposits generally" also apply to Share Draft Accounts, except as they may be modified by this section. All drafts drawn on your Share Draft Account may be returned by us unpaid for any reason that drafts are normally returned, such as, for example, insufficient funds, uncollected funds, or litigation.

Share Draft Minimum Balance. The minimum amount required to open and maintain a Share Draft Account is \$5.00 and you must maintain a minimum balance of \$5.00 on deposit in your Primary Share Account to retain a Share Draft Account.

Withdrawing Money from Your Share Draft Account. As long as you have money in your Share Draft Account, and subject to any applicable state or federal laws and regulations, money can be withdrawn from your account by written draft or any other method approved by the Credit Union.

Share drafts are generally ordered through the Credit Union. When you order share drafts through the Credit Union, the Credit Union will charge your account for the costs of said share drafts, which costs vary depending on the style of drafts ordered. You may select drafts from the current styles available.

Transaction Limitations. Except as otherwise stated in this Agreement, the Truth-in-Savings Disclosure, Funds Availability or Electronic Transfer Funds Disclosures, or in any applicable federal or state law or regulation, there are no transaction limitations on the Share Draft account.

Payment of Share Drafts. The Credit Union is under no obligation to pay a share draft which is more than 6 months old. Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or non-payment of a draft.

Dividends. The Credit Union does pay dividend or interest on its Share Draft Accounts.

Funds Availability. Funds from deposits you make into your Share Draft Account may not always be immediately available. Refer to our Funds Availability disclosure for more details.

The use of the Share Draft Account is subject to other terms, conditions and requirements as the Credit Union may establish from time to time.

Fees. As with all other accounts, your Share Draft account may be subject to service charges in accordance with the fee schedule adopted by the Credit Union from time to time. You should refer to the Truth in Savings Fee Schedule for a list of fees. These fees may be changed at our discretion.

Overdraft(s) & Overdraft Protection. The Credit Union is under no obligation to pay a share draft you have written if it would result in this Share Draft Account being overdrawn (a draft written against your Share Draft Account when insufficient available funds are on deposit in the account is known as an NSF Share Draft), however, you do authorize the Credit Union to transfer funds from your other accounts, if available, in such increments necessary to cover any overdraft, although we are not required to make such a transfer and the Credit Union may simply return any such non-sufficient fund check without honoring its payment. If you have a line-of-credit with the Credit Union or a separate line-of-credit for Overdraft Protection, then we may honor the payment of such a non-sufficient fund check(s) and charge that advance to your line-of-credit. If a transfer is made from any line-of-credit account to cover an overdraft, or if the NSF check is paid regardless of whether you have a line-of-credit loan with the Credit Union, interest will begin to accrue from the date such funds were transferred to cover the overdraft and pay the non-sufficient fund check.

Overdraft Privilege Disclosures. If we offer Overdraft Privilege Protection, you must separately apply and be approved for Overdraft Privilege. These Overdraft Privilege Disclosures describe the circumstances when we (the credit union) will pay overdrafts in your checking account and charge you an Overdraft Privilege fee. "Overdraft" means there is not enough "available balance" in your checking account or any other account funds can be transferred from to pay for a transaction at the time it is presented to us for payment ("posts" to your account). If we pay for an overdraft, we will charge an Overdraft Privilege fee. The fee is described in our Fee Schedule, which is updated periodically.

Please note that for ATM and one-time debit card transactions, you must affirmatively consent to this coverage on a separate disclosure. Without your consent, we may not authorize and pay an ATM or one-time debit card transaction that will result in negative available balance in your account.

The following is important information regarding your account balance, how transactions are posted to your account, and when an overdraft fee will be charged. You should read these disclosures carefully. If you have questions, please see a branch representative or give us a call.

Your Checking Account Balance. Your checking account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when you review your account online, by phone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

Your **actual** balance is the full amount of all deposits made into your account less payment transactions that have actually "posted" to your account. While the term "actual" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. It does not reflect checks you have written or payments you have authorized, or holds on deposits that have not yet posted. For example, if you have a \$50.00 actual balance, but you just wrote a check for \$40.00, then your actual balance is \$50.00 but it does not reflect the pending check transaction. So at that point, you actually have \$50, but you have already spent \$40. Also, the actual balance does not include holds that may be placed on checks you deposit. Thus, if you deposit a \$1,000 check, your actual balance will increase by \$1,000 but only \$275 may be available for you to spend because there may be a hold on \$725 for a period of time.

Your **available** balance is the amount of money in your account that is available to you to use without incurring an overdraft fee. The available balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment. In that case, we will put a "hold" on your account for \$20. Your actual balance would still be \$50.00 because this transaction has not yet posted, but your available balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which could be a few days later), we will post the transaction to your account and your actual balance will be reduced by \$20. Available balance at the time a transaction posts to your account is used to determine when your account is overdrawn.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all the outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card

transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.

The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely.

IF YOU DO NOT UNDERSTAND THIS AGREEMENT OR HAVE ANY QUESTIONS, PLEASE CONTACT US.

Overdraft and Non-Sufficient Funds Fees (NSF). We will charge you a fee **each time** a payment is made on this account and that payment is returned for Non-Sufficient Funds, **and each time that same payment is presented for payment** with non-sufficient funds available to cover the payment, regardless of who initiates the re-presentment. The payment could be initiated by us or by you, or by the financial institution on whom the payment is initiated. So, you could be charged multiple times a Non-Sufficient Funds Fee for the same check or payment, or that same item is re-negotiated with insufficient funds available to cover that check or payment. You should refer to our Fee Schedule for a list of fees.

Involuntary Account Closing. The Credit Union reserves the right to close a share draft account if:

- the account is overdrawn three or more times in a 90-day period.
- Failure to maintain the \$5.00 minimum balance in the primary share account.
- Non-compliance with the policies adopted by the Board of Directors.
- Determination that kiting is occurring on an account.
- Not meeting other obligations with the Credit Union.

Pocket Change Program

If you enroll in the Pocket Change Program, every time you make a purchase, whether in-person or online, your purchases will be rounded up to the nearest dollar and transferred to your Pocket Change savings account. Only Point of Sale purchases are eligible for the Pocket Change transfer. Only the primary member can enroll into the program, but once enrolled, all transactions made will be included. Business, trust, and estate checking accounts are not eligible.

Stop Payments

Stop Payment Order Request. You may request a stop payment order on any share draft drawn on your account. To be binding, an order must be dated, signed, and describe the account and draft number and the exact amount. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, number of the draft, and its exact amount. You understand that the exact information is necessary for the Credit Union's computer to identify the share draft. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the draft. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any other party for payment of the draft. If we re-credit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft, and to assist us in any legal action.

Duration of Order. A stop payment order is effective for six (6) months and may be renewed in writing. We do not have to notify you when a stop payment order expires.

Liability. Fees for stop payment orders are set forth on the Credit Union Schedule. You generally may NOT stop payment on any certified check, teller's check or any other check, draft, or payment guaranteed by us. Even if payment of such an item is stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any multiple party, account owner, payee, or endorser in failing to stop payment of an item as a result of incorrect information you provided the Credit Union.

Payment of Share Drafts after Death. The Credit Union may, after the date of your death, pay share drafts drawn before death unless ordered to stop payment by the Personal Representative or other appropriate person claiming an interest in the account.

Accounts for Corporations, Partnerships, Limited Liability Companies And Other Organizations, Incorporated or Otherwise

This section of the Agreement is designed to allow certain businesses and other entities as more fully described below to join Baylands Family Credit Union and to obtain various financial products and services offered by the Credit Union. Throughout this section, the words "you", "your", "organization", and "business" mean the business or other entity that is joining the credit union.

A corporation is eligible for membership in the Credit Union if the corporation is physically located within the field of membership or is an organization of a member.

A partnership is eligible for membership in the Credit Union if the partnership is physically located within the field of membership or is an organization of a member.

A limited partnership is eligible for membership in the Credit Union if the limited partnership is physically located within the field of membership or is an organization of a member.

A limited liability company (LLC) or a professional limited liability company (PLLC) is eligible for membership in the Credit Union if the limited liability company (LLC) or a professional limited liability company (PLLC) is physically located within the field of membership or is an organization of a member.

A sole proprietorship is eligible for membership in the Credit Union if the sole proprietorship is physically located within the field of membership or is an organization of a member.

Other organizational structures, incorporated or otherwise, may be eligible for membership if physically located within the field of membership or is an organization of a member.

No organization, incorporated or otherwise, shall be eligible for membership in the Credit Union without substantiating its legal existence, to the reasonable satisfaction of the Credit Union, by providing such documentation as the Credit Union may, from time to time, require, including, but not necessarily limited to, the Certificate of Organization on file with the Commonwealth of Virginia or the state of incorporation, the most recent Certificate of Good Standing on file with the Commonwealth of Virginia or the state of incorporation, and such Resolutions as may be required by the Credit Union. We reserve the right to require that you provide, and you agree to provide, any such documentation at any time.

The Credit Union reserves the right to refuse membership to an organization when such organization has not been created with, has not been properly registered with, and is not governed by the laws of the Commonwealth of Virginia.

While generally the individuals who comprise an organization, incorporated or otherwise, shall not be joint owners on an account created for the organization, each of the individuals of the organization signing the Business Membership Card personally guarantees any obligation created by the organization owing to the Credit Union as a result of the establishment of a membership in the Credit Union for the organization.

The following types of financial products and services will be available to organizations:

GENERALLY THE SAME SERVICES AS AVAILABLE TO INDIVIDUAL ACCOUNTS

To the extent applicable and not superseded herein, the terms and conditions governing those types of account and services govern accounts and services provided to organizations.

You understand and agree that the Credit Union may distribute funds pursuant to the terms of the most recently dated Resolution on file at the Credit Union, and the organization, all of its organizers, shareholders, partners, and/or members forever indemnify and hold the credit union harmless for distributions made in good faith pursuant to that Resolution. You further agree that it is your responsibility to notify the Credit Union when the terms of that Resolution have been revoked, rescinded, revised, or in any way modified.

Accounts for Trusts

Members who maintain a minimum \$5.00 membership share in the Credit Union can open a separate membership account for a Revocable Living Trust, provided all Settlor-Trustees of that Trust are members of the credit union in their own right.

The following types of financial products and services will be available to Trusts:

Primary Share/Savings Account
Share Draft/Checking Account
Share Certificate

To the extent applicable and not superseded by this section, the terms and conditions governing those types of accounts and services for individuals govern accounts and services provided to Trusts.

In order to open an account for a Trust, you agree to provide such documentation as is required by the Credit Union with regard to the Trust, including, but not necessarily limited to, the Trust document itself and/or an Abstract of Trust or Certificate of Trust prepared by the attorney who drafted the Trust.

The Credit Union reserves the right to refuse membership to a Trust when it is not drafted in accordance with and governed by the laws of the Commonwealth of Virginia.

For Revocable Trust Accounts, We require that each person establishing the Trust, commonly referred to as the "Settlor(s)", be a member of the Credit Union and, we additionally require that each Trust Account must specify a beneficiary. Any beneficiary specified in the Trust will only be entitled to the Trust account funds if the beneficiary is living at the time of the death of the Settlor(s) and even then, the Credit Union may only authorize access to the Trust funds by a Successor Trustee or Trustees, if specified in the Trust Agreement.

If you have opened an account for a Trust, you as Trustee(s) understand and agree that the Credit Union may distribute funds pursuant to the terms of the most recently dated Trust Agreement on file at the Credit Union, and you, on behalf of the Trust, all beneficiaries of the Trust, and all Successor Trustees forever indemnify and hold the credit union harmless for distributions made pursuant to that Trust made in good faith in the absence of gross negligence on the part of the Credit Union. You further agree that it is your responsibility to notify the Credit Union when a Trust for which an account has been opened has been revoked, rescinded, revised, or in any way modified, or if the beneficiary(ies) in the Trust have changed.

Other Terms and Conditions

Share Insurance. Your regular savings in the Credit Union are insured up to \$250,000 by the National Credit Union Administration (NCUA), which is backed by the United States government, in accordance with regulations promulgated by the NCUA.

Charges. You agree to pay us charges in connection with your accounts in accordance with the Truth in Savings Fee Schedule for accounts in effect from time to time. We will provide advance notice of any increase in current charges, or any new charges, as required by law. We may deduct any charges owed by you from any of your accounts. We reserve the right to waive any charges in our sole discretion.

Return of Deposits/Closed Accounts. We may, at any time, in our sole discretion, refuse to accept any deposit, or close any or all of your accounts with us without prior notice to you. Provided, however, we may not terminate your membership in the Credit Union without satisfying the notice provisions of the Virginia Credit Union Act and related Bylaw Provisions and regulations. If we close an account, we will notify you and send you a check for any balance in your account after deducting all applicable charges. Any withdrawal that reduces the amount in an account to zero (other than a Share Draft Account) may automatically close that account. We are not liable for any draft, withdrawal or other order after an account is closed. Any drafts presented after your account has been closed will be returned unpaid. We reserve the right to advise consumer reporting agencies and other third parties of accounts closed for misuse.

Inactive Accounts. The Credit Union may consider your account inactive and charge your account an Inactive Account Fee if there are no deposits to or withdrawals from your account for a period of one year. This excludes dividends credited to your account by the Credit Union. Virginia Law requires the Credit Union to turn these funds over to the State after a period of no activity as specified by State statute. Before turning funds from inactive accounts over to the Commonwealth of Virginia, the Credit Union will send notices as required by Virginia law advising you of your rights.

Statements. You will receive a periodic statement (normally monthly) for your Share Draft Account or Business Share Draft Account. You will receive a periodic statement (normally quarterly) for your Share Savings Account or other savings accounts unless you have an electronic funds transfer transaction during a monthly period (in which case you will receive a monthly statement), or you will receive a combined statement on a monthly basis if you have a Share Draft Account or a Business Share Draft Account and other savings accounts. Each such statement shall show the transactions on your accounts and any charges. We reserve the right not to send statements for accounts we consider inactive, or for those accounts on which we do not have a valid address on file.

You should examine the periodic statement carefully and reconcile the account. If there are any discrepancies, the Credit Union should be notified immediately. You are in the best position to detect an unauthorized signature, a forged endorsement, or an alteration. You have the responsibility for any fraud loss if you fail to exercise reasonable care in examining the statement or fail to report forgeries or alterations to the Credit Union within 60 calendar days the statement first became available to you or the mailing date, whichever comes first, of the earliest statement containing those items. The Credit Union will not be liable if items were forged or altered such that the fraud could not be detected by a reasonable financial institution. You agree that the Credit Union's retention of drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. If you fail to receive a periodic statement at the time you regularly receive your Credit Union statements, you agree to notify us within thirty (30) days from the time your statement normally arrives.

Reviewing Account Statements. You will receive periodic statements of all transactions and activity in your deposit accounts during each statement period. Your statement will be sent to your address as it is shown on our records. All deposits, withdrawals, transfers, payments of interest, and impositions of applicable fees will appear on your statement. You are in the best position to detect an unauthorized signature, forged endorsement or material alteration of a check written on your account. As a result, you are responsible for promptly examining and reconciling your statement each statement period and reporting any irregularities to us immediately. The periodic statement will be considered correct for all purposes and we will not be liable for any payment made and charged to your account unless you notify us in writing promptly upon discovery of the error or within sixty (60) calendar days after the first statement containing the discrepancy or error in the account. We will not be liable for any check that is altered or any signature that is forged unless you notify us promptly upon discovery of the error or within (60) calendar days after the first statement containing the entry and the altered or forged item(s) are made available, whichever is earlier. We will not be liable for any subsequent items paid, in good faith, containing an unauthorized signature or alteration by the same wrongdoer unless you notify the Credit Union within (60) calendar days after the statement and first altered or forged item is made available. If you fail to notify us within the time limit stated above, you agree to accept the stated

balance as correct and to assume responsibility for and indemnify, defend and hold us harmless from, the payment of any check reported on your account statement. You also release us from all liability for payment of such checks. We will not be liable if items are forged or altered so cleverly, such as the unauthorized use of a facsimile signature machine, that the fraud could not be detected by a reasonable banking institution. You must also report any other account problem promptly upon discovery of the error or within 60 calendar days, whichever is earlier, or lose your right to assert a claim against us.

Because we employ high speed check processing equipment to reduce costs, we may not perform a review of the signatures affixed to your checks or other items which are presented for payment from your account. You agree that this is the customary practice for Credit Unions in Virginia. You further agree that the practice of such Credit Unions is the standard to be used in determining reasonable Credit Union practices. You agree to safeguard your checks which are magnetically encoded with your unique account number. You agree to assume full responsibility for the unauthorized use of your checks, including unauthorized signatures and alterations, where you did not use ordinary care in controlling access to your checks, promptly reviewing your Credit Union statement for unauthorized activity, or where your lack of the use of ordinary care otherwise contributed to the unauthorized use of your account. You agree to be responsible for the acts of your agents, employees and any other party authorized to have access to your account.

Security. You agree to exercise reasonable control over all credit union checks; unused checks; share certificates; Personal Identification Numbers (PINs); ATM/Check Cards; Sign-On IDs; passwords; Internet access code(s) and any other item, instrument, access device, or card related to your account. You agree to notify us immediately if any of these things are or may be lost, stolen, or used without your authorization, or if you believe there is an error on your periodic account statement. We may issue replacements for lost or stolen checks; CDs; PINs; ATM/Check Cards; or other items, instruments, access devices, or cards, but only after you have provided such proof of loss, and sufficient security or indemnification of us, as we may require. In addition, you acknowledge that we may close your account to prevent future losses.

Truncation. You authorize us to retain and image (i.e., truncate) all of your checks, drafts, debits, and credit advices for your account, and you understand that by our doing so, your original checks will not be returned to you with your statement. After the original documents have been imaged, they will be destroyed but will be available as required by law. Copies of items are maintained by us are available upon request. Fees for such copies may apply. Please consult our schedule of fees and charges. The same restrictions for notifying us about an unauthorized signature, unauthorized endorsement, or alteration, as indicated above, apply to electronic statements. You agree that our retention of checks and other items does not alter or waive your responsibility to examine your statements promptly or change the time limits for notifying us of any errors. You are responsible for promptly examining and reconciling your statement each statement period and reporting any irregularities to us immediately upon discovery of an error or within the time limits stated in this disclosure, whichever is earlier. If another credit union, bank, financial institution or clearing house truncates your check you understand that we have no means by which to view and verify your signature on the item and you agree that we will not be liable for any forgery or alteration on the item unless we fail to act with ordinary care with the information we have available.

Claim of Loss. If you claim a credit or refund because of a forgery, alteration or any other unauthorized withdrawal you agree to cooperate with us in the investigation of the loss. This may include providing us with an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act relating to the claim of the lost, missing or stolen checks or unauthorized withdrawal. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages including loss of profits or opportunity, or for attorney fees incurred by you.

You will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights, or at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

Agreement. This Agreement shall be effective and shall govern all deposit accounts with us. By signing a signature card, making deposits or withdrawals, or leaving amounts on deposit, you agree to the terms of this Agreement. This Agreement shall supersede all previous agreements for such accounts.

Amendment. We may change any of the items of this Agreement at any time without prior notice to you if the change is favorable to you. We may make changes that are adverse to you only if we provide you with any notice required by law or required in this Agreement. You may close the account if you do not agree to the changes; if you continue to use the account or keep the account open after the effective date of such change, you will be deemed to have agreed to the changes.

Notice of Name or Address Changes. You are responsible for notifying us of any address or name change. Whenever we are required to send you notice, the Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us in writing. The Credit Union requires all notices of change in address or name to be in writing. You agree to pay all fees associated with maintaining an invalid address in Our records and any costs and locator fees incurred in Our locating efforts.

Notice of Amendments. Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you of any changes in terms or rates as required by law or as required in this Agreement. All notices regarding the account will be posted in our office lobbies or will be sent to you to the address shown on your statement. In the event of joint ownership, notice by or to any one joint depositor shall be deemed notice by or to all. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement. We reserve the right not to send notice for accounts we consider inactive. Notices to us should be sent to:

Baylands Family Credit Union

Post Office Box 392

West Point, VA 23181

Phone: (888) 843-2520 | Fax: (804) 843-4859

Effect of Notice. Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any account owner is considered notice to all account owners.

Indemnity. If by following your instructions we are exposed to a claim or suit by an adverse claimant, you shall hold us harmless and indemnify us from any such losses, expenses, liabilities or damages including actual attorneys' fees. If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities or damages, whether directly or indirectly, we may refuse to follow your instructions, or we may require a bond or other protections.

Severability. If any of this Agreement is found by any other court or regulatory body of competent jurisdiction to be invalid or unenforceable in whole or in part for any reason whatsoever, the authority of the remaining provisions or portions hereof shall not be affected thereby.

Waiver. We may waive any of these provisions at our sole discretion, but any such waiver will apply only on that occasion. If we chose to waive any provision, we will not be bound to waive the same provision or any other provision on another occasion.

Statutory Lien & Right of Offset/Enforcement. If you owe us money as a borrower, guarantor, endorser or otherwise, you pledge to us a lien on the account funds in any account in which you have an ownership interest, regardless of their source, unless prohibited by law. We may apply these funds in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant the Credit Union a consensual security interest in your accounts and we may use the funds from your accounts to pay any debt or amount now or hereafter owed the Credit Union, or for any loss, cost or expenses, including reasonable attorney's fees, we incur as a result of your failure to comply with the terms and conditions of this Agreement or that we may take to enforce this Agreement or any other Agreement you may enter into with us. This security interest is not

applicable to obligations secured by your residence, or unless otherwise may be prohibited by applicable law. We will notify you if we have exercised our right of offset. All accounts are nonassignable and nontransferable to third parties.

Telephone Requests. You agree (for joint accounts, all joint owners agree jointly and severally) that funds in any of your accounts with us can be transferred upon the telephone request of any signer on the account with appropriate identification. We shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, we may refuse to execute any telephone request or order. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account restrictions may be disclosed elsewhere.

Facsimile Signatures. You agree (for joint accounts, all joint owners agree jointly and severally) that the Credit Union may accept and rely on facsimiles of your signature(s) on any deposit or withdrawal form, order or other notices, requests or instructions regarding any account under this Agreement or with the Credit Union with appropriate identification. We shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, we may refuse to execute any facsimile request or order.

Information About Your Accounts and About You. Generally, we will not disclose information to third parties about your accounts or about you without your permission. However, we may disclose information: (1) when it is necessary to complete transfers or transactions, or to send notice of dishonor or nonpayment; (2) to our accountants, attorneys or other professional advisors; (3) to Credit Union or financial institution regulators; (4) to exchange, in the regular course of business, credit information with other financial institutions or commercial enterprises, directly or through credit reporting agencies; (5) to advise third parties of accounts closed for misuse; (6) to furnish information to the appropriate law enforcement authorities when we believe we have been a victim of a crime; (7) to comply with government agency or court orders, or to furnish any information required by statute; (8) exchange information with other financial institutions pursuant to subsection 314(b) of the USA Patriot Act and its implementing regulations; (9) to furnish information about the existence of an account to a judgment creditor of yours who has made a written request for such information; (10) when we are attempting to collect an obligation owed to us; or (11) unless otherwise prohibited by law. In addition, you understand and agree that we may, from time to time, request and review credit reports and other information about you prepared by credit reporting agencies or others. For additional information about how we share your information with third parties, please refer to the Credit Union's Privacy Notice.

Section Headings. Section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any of the provisions of this Agreement.

Joint Accounts (Survivorship Accounts). If two or more parties have signed a signature card, you are creating, and intend to create, a "joint tenancy with rights of survivorship." That is, you as the owners of the account agree with yourselves and the Credit Union that all sums paid in shares or other deposits (as applicable), together with all accumulations, prior to now or hereafter, less setoffs as allowed by law for any sums due the Credit Union by any party, shall be owned by all of you jointly with full right of survivorship, and shall be subject to withdrawal or receipt by any of you in whole or in part. Payment to any of you or the survivor(s) of you, or your personal representatives, administrators or assigns of the last survivor(s) of you, shall be valid and discharge the Credit Union from any liability for such payment and amount. Each signer appoints each other signer to be his or her irrevocable attorney: to make deposits to the account; to endorse, for cash or deposit, any checks or other items whether payable to one of the signers alone or with others; and to receive and receipt for all funds all without obligation to us to inquire into the source or application of funds. To induce us to act thereunder, each person signing the signature card jointly and singly agrees to hold the Credit Union harmless and indemnify us from loss, cost, and damage in all respects in connection with any of the foregoing, including court costs and attorney's fees, except as may be limited by applicable law. Any or all of the joint owners may pledge all or part of the shares or deposits in the account as collateral for security on a loan(s) to this Credit Union. No authority or obligation of the Credit Union may be changed or terminated by one or more of the joint owners without prior written notice to the Credit Union, and no such change or termination shall affect transactions already made. Further, each joint owner is subject to the terms and disclosures of this Agreement, and hereby acknowledges receipt thereof.

Joint Accounts (Without Survivorship). On the death of a party to the Account, the deceased party's ownership in the Account passes as part of the party's estate under the party's will, trust, or by intestacy.

POD/Trust Account Designation. A Payable on Death (POD) account or trust account designation is an instruction to the Credit Union that a single or multiple party account so designated is payable to the owner(s) during his, her or their lifetimes and, when the last account owner dies, payable to any named and surviving POD or trust beneficiary/payee. Accounts payable to more than one surviving beneficiary/payee are owned jointly by such beneficiaries/payees without rights of survivorship. The Credit Union is not obligated to notify any beneficiary/payee of the existence of any account or the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law.

Missing Endorsements. The Credit Union is authorized to supply any of your endorsements on any check or other instrument tendered for any account, and the Credit Union shall have no liability in connection with the collection of such items that are handled by it without negligence, and the credit union shall not be held liable for the acts of any agents, subagents or others. Withdrawals may not be made on account of such items until collected, or as otherwise provided by law. Any amount not collected, or later returned, may be charged back to the account, including expense incurred, and any other outside expenses incurred relative to the account may be charged to it.

Restrictive Legends. The automated processing of the large volumes of checks prevents us from examining each item for "Restrictive Endorsements" and the Credit Union will not be liable for any such restrictions, unless otherwise required by law. Restrictive endorsements include, but are not limited to, "Void after 90 Days" or "Not Valid Over \$1,000.00", for example only. We are not required to honor any restrictive legends placed on checks you write unless we have agreed in writing to the restriction. We are not responsible for any losses, claims, damages or expenses that result from your placement of these or other special instructions on your checks.

Payment Order of Items. Payment on items, such as checks drawn on your account, may be paid by the Credit Union in any order either received or processed.

Pledges. You may not pledge your Credit Union Shares as collateral to another entity or party.

Accounts for Minors. We may require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under Virginia law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to a minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

Custodial Accounts for Minors. Virginia Statutes (Virginia Uniform Transfers to Minors Act - VUTMA) provide that an adult may make an irrevocable gift to a minor, held by an adult custodian and we will establish such an account upon your request. The donor may be the custodian, or another adult may be named, however, either the minor or the custodian must be eligible to join the Credit Union. The funds in the minor's Custodial Account are owned by and titled in the minor's name. There may be only one adult custodian on each account of this type. It is your responsibility to determine and understand any legal effects related to this type of account.

ACH & Wire Transfers. The following rules shall apply to all wire transfers services provided by the Credit Union.

Baylands Family Credit Union may accept, on your behalf, payments to your account that have been submitted by any automated clearing house. Your rights and obligations with respect to such transfers shall be governed and construed in accordance with Section 4A-403(a) of the Uniform Commercial Code and Regulation J, Subpart B-Funds Transfers through automated clearing houses (ACH). These regulations and state law are applicable to funds transfers involving your account.

If you give us a payment order that identifies a beneficiary (the person to whom you are wiring funds) by name and account or some other identifying number (such as a Social Security, Taxpayer I.D. or driver's license number), we may pay the beneficiary on the basis of the number provided to us by you and consider that number to be proper identification. This will be true even if the number you provided to us identifies a person different from the named beneficiary, unless otherwise provided by law or regulation.

If you give us a payment order that identifies the beneficiary's financial institution in the funds transfer by name and Routing and Transit ("R/T") or other identifying number, we, as well as the receiving financial institution, may rely on the number provided to us by you as the proper identification. This will be true even if the number provided identifies a financial institution that is different from the named financial institution, unless otherwise provided by law or regulation. Therefore, it is in your best interest to contact the receiving institution to acquire the appropriate wire transfer instructions so that you may feel confident that your money will arrive safely. You, the member, are ultimately responsible for providing accurate information regarding funds transfers and are consequently liable for any losses or expenses should an error occur. Once you have supplied the information necessary to send funds electronically and authorized the transfer, you may not be able to make any corrections. Once you have authorized such a transfer of funds, you may not cancel or reverse the transaction.

Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, 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.

In addition, if we are ever obligated to pay interest on the amount of the transfer, you will be paid interest on a daily basis equal to the current dividend rate that is otherwise applicable to the account from which the funds transfer should have occurred. In the event we are ever liable to you for damages due to a transfer, your damages will be limited to actual damages only. We will not be responsible for incidental or consequential damages, court costs or attorney's fees, unless otherwise provided by law or regulation.

Credit given by us to you with respect to an automated clearing house 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) shall not be deemed to have paid you in the amount of such entry.

We may accept on your behalf payment to your account which have been transmitted through one or more Automated Clearing Houses (ACH) and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia, including Article 4A of the Virginia Uniform Commercial Code, and as provided by the operating rules of the National Automated Clearing House Association, which are applicable to ACH transaction involving your account.

Agency Designation on an Account. An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or Credit Union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent.

Legal Process. If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any pay out until the dispute is resolved. Any expenses or attorney fees including but not limited to 33 1/3% we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

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

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

Suspension of Services. Account services are available to those members in good standing with the Credit Union. We reserve the right to suspend or cancel services to a member not in good standing. Those members who are not in good standing include members who: (1) have not maintained a minimum balance in any applicable account; and/or (2) are delinquent on any loan with this Credit Union; and/or (3) have an unresolved deposit for any returned check/draft; and/or (4) have not paid any fees assessed by this Credit Union; and/or (5) have a negative account balance at this Credit Union or have otherwise caused a financial loss to this Credit Union.

Termination of Account. We may terminate your account at any time without notice to you, or we may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any share drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account. We are not responsible for payment of any draft, withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

Termination of Membership. You may terminate your membership by giving us notice. You may be denied services or expelled for any reason allowed by applicable law, including causing a loss to the Credit Union.

Governing Law. This Agreement shall be governed by the laws, including applicable principles of contract law, and regulations of the Commonwealth of Virginia, except as superseded by federal laws and regulations, by the Credit Union's Bylaws, and by local clearinghouse rules. Unless prohibited by applicable law, any action brought pursuant to this Agreement against the Credit Union must be brought in the local State District Court or State Circuit Court in the jurisdiction of the Credit Union's main office or Branch Offices.

Account Agreement. Your application for Membership in the Credit Union as well as your use of any Credit Union Membership privileges constitutes an acknowledgement and consent to the terms and conditions of your accounts as set forth in this Account Agreement and all other accompanying Disclosures provided to you.

USA PATRIOT ACT

In accordance with the USA PATRIOT ACT, Federal law requires all financial institutions to obtain, verify, and record information that identifies each individual or entity opening an account. This includes all personal and commercial accounts including loan, deposit and safe deposit box accounts, as well as trust, brokerage, insurance, and investment management accounts.

What This Means To Our Members

When you open an account, you will be asked for your name, address, social security or tax identification number, date of birth (if applicable) and other information that will allow Baylands Family Credit Union to identify you. You will also be asked to furnish your driver's license or other identifying documents. We are required to follow this procedure each time an account is opened, even if you are a current member of Baylands Family Credit Union.