

UNAUTHORIZED TRANSFERS

(a) Consumer liability.
• Generally, Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Telephone us the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission. If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 30 days after the statement was mailed to you, you may not get back any money you lost after the 30 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) kept you from telling us, we will extend the time periods.

• **Additional Limit on Liability for Visa debit card.** Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa debit card. This additional limit on liability does not apply to ATM transactions or to transactions using your Personal Identification Number which are not processed by VISA®.

(b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this brochure. You should also call the number or write to the address listed in this brochure if you believe a transfer has been made using the information from your check or draft without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this brochure, 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 30 days after we sent the FIRST statement on which the problem or error appeared.

(1) Tell us your name and account number (if any).

(2) 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.

(3) 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 (5 business days for Visa debit card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (30 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for Visa debit card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) 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 may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

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. You may ask for copies of the documents that we used in our investigation.

First South Financial Credit Union
6445 Stage Road

Bartlett, Tennessee 38134
Business Days: Monday through Friday

Excluding Federal Holidays
Phone: (801) 380-7400

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to "transaction" accounts. Transaction accounts in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Share draft accounts are the most common transaction accounts.

Our policy is to make funds from your cash, check, and electronic direct deposits available to you on the same day we receive your deposit. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are 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.

If we accept for deposit a check that is drawn on another bank, 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 check that you deposited.

LONGER DELAYS MAY APPLY

Case-by-case delays. In some cases, we will not make all of the funds that you deposit by check available to you on the same day we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$500 of your deposits, however, will be available on the same day.

If we are not going to make all of the funds from your deposit available on the same day we receive your deposit, we will notify you. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have made the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Safeguard exceptions. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.
• You deposit checks totaling more than \$5,000 on any one day.
• You deposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.
• There is an emergency, such as 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. They will generally be available no later than the seventh business day after the day of your deposit.
• ATM Deposits will be placed on a two-business day hold. Our general policy is to make funds available on the second business day of your deposit. All check deposits are subject to extended holds as stated in our "funds availability" disclosure. If we extend your holds beyond two business days, we will notify you.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashiers, certified, teller's, traveler's, and federal, state and local government checks will be available on the same day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the first business day after the day of your deposit.

TRUTH-IN-SAVINGS DISCLOSURE

Savings account

Rate Information:
The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every quarter. Dividends will be credited to your account every quarter.

Dividend period - For this account type, the dividend period is quarterly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of each dividend period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example above is April 1.

If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum required to open this account is the purchase of a share in the credit union. Please see the bylaws requirements in the Common Features section for additional information.

You must maintain a minimum average daily balance of \$200.00 in your account to obtain the disclosed annual percentage yield.

Average daily balance computation method - Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the quarterly statement cycle.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
No point of sale transactions - either PIN or signature based are allowed on a regular Savings Account.

Par value of a share:
The par value of a share in this account is \$25.00.

CHECKING AND SAVINGS PLUS ACCOUNTS

Rate Information:
The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every quarter. Dividends will be credited to your account every quarter.

Dividend period - For this account type, the dividend period is quarterly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of each dividend period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example above is April 1.

If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
You must maintain a minimum average daily balance of \$1,000.00 in your account to obtain the disclosed annual percentage yield.

Average daily balance computation method - Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the quarterly statement cycle.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
No Transaction limitations apply to this account unless otherwise stated in the Common Features section.

CHRISTMAS/VACATION CLUB ACCOUNT

Rate Information:
The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting - Dividends will not be compounded. Dividends will be credited to your account every year.

Dividend period for Christmas Club - For this account type, the dividend period is annual, for example, the beginning date of the first dividend period of the calendar year is November 1, and the ending date of such dividend period is October 31 of the following year. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example above is November 1.

Dividend period for Vacation Club - For this account type, the dividend period is annual, for example, the beginning date of the first dividend period of the calendar year is June

1, and the ending date of such dividend period is May 31 of the following year. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example above is June 1.

If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open this account is \$10.00.

Average daily balance computation method - Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the quarterly statement cycle.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
You may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, telephonic order or instruction, or similar order to a third party.

If any withdrawal is made from this account before the end of the club term, then this account may be closed.

MONEY MARKET ACCOUNT

Rate Information:
The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example above is February 1.

If you close your share account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open this account is \$100.00.

You must maintain a minimum daily balance of \$2,500.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
During any statement period, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

Fees and Charges:
An excess withdrawal fee of \$5.00 will be charged for each withdrawal in excess of six during a statement period.

COMMON FEATURES

Bylaw requirements:
You must complete payment of one share in your Savings account as a condition of admission to membership.

National Credit Union Share Insurance Fund - Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund. Please refer to our separate fee schedule for additional information about charges.



6445 Stage Rd.
Bartlett, TN 38134

E-mail Address
mail@firstsouth.com

Web Site Address:
www.firstsouth.com

(901) 380-7400
1-800-USA-FSCU
(872-3728)
FAX (901) 380-7305

Important
Account
Information
For
Our Members



Terms and Conditions

Electronic Transfers

Funds Availability

Truth in Savings



TERMS AND CONDITIONS OF YOUR ACCOUNT

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. This means that 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 also ask to see your driver's license or other identifying documents.

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. This agreement is subject to applicable federal laws and the laws of the state of Tennessee (except to the extent this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- establish rules to cover transactions; and
- summarize some laws that apply to common transactions; and
- establish rules to cover transactions which the law does not regulate; (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed on the singular including the plural and the plural including the singular.

BILLYS - Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s). Dividends are based on current earnings and available earnings of the credit union, after providing for required reserves.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) in the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by the agreement. Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. You will also be liable for our costs to collect the deficit as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account including, but not limited to, disputes between you and another joint owner, you and an authorized signer or similar party, or a third party claiming an interest in your account.

DEPOSITS - We will give you provisional credit until collection is final for any items other than our cash, we accept for deposit (including items drawn "on us"). Actual credit for deposits of, or actually in, foreign currency will be at the exchange rate reflected in collection in U.S. dollars. We are not responsible for transactions transmitted outside depository until we physically receive them. We will lend and record all transactions received after our "billy cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day, that we are open.

WITHDRAWALS - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us. You agree that, as to any item that we have no opportunity to examine the signatures, such

as an electronic check conversion transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation, you waive any requirement of multiple signatures for withdrawal. We may charge your account for a check even though payment was made before the date of the check. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as an act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. You agree that we may charge fees for overdrafts and use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees. If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our funds availability policy disclosure does not apply, you can ask us when you make a deposit where those funds will be available for withdrawal.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, you specified on the account records. We reserve the right to release some or all ownership on any or all of our accounts. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account - is an account in the name of one person.
Joint Account - With Survivorship (And Not As Tenants in Common) - is an account in the name of two or more persons. Each of you intend that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.

Revolving Credit or Pay-On-Death Account - If two or more of you create this type of account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, beneficiaries will own the account in equal shares, without right of survivorship. The person(s) creating either of these account types may: (1) change beneficiaries; (2) change account types; and (3) withdraw all or part of the account funds at any time.

BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS - Earnings in the form of dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to receive any claim arising as a result of our exercise of our right to repayment.

ADDITIONAL AUTHORIZED SIGNATORY (Individual Accounts only) - A single individual is the owner. The additional authorized signatory is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

RESTRICTIVE LEGENDS - We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00."

PAYMENT ORDER OR ITEMS - This law permits us to pay items (such as checks or drafts) drawn on our account by any person in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write. When processing items drawn on your account, our policy is to pay them according to the dollar amount. We pay the largest items first. The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. Our payment policy will cause your largest, and perhaps more important, items to be paid first (such as your rent or mortgage payment), but may increase the overdraft or NSF fees you will have to pay if funds are not available to pay all of the items. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

PLEDGES - Unless we agree otherwise in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

CHECK PROCESSING - We may process items mechanically by relying on the information encoded along the bottom of the items. This means that we may not individually examine all of your items to determine if the item is properly completed, signed and indorsed. You agree that we have not indorsed or endorsed our cash solely because we use an automated system to process items and do not inspect all items processed in such a manner. We reserve the right not to inspect each item because using an automated process helps us keep costs down for you and all account holders. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item to you or not. We reserve the right to return items to you without first checking the amount of available funds in your account for the purpose of deciding whether to return the item or send a notice of insufficient funds. We need only make one determination, but if we choose to make a subsequent determination, the account balance and the subsequent time will determine whether there are insufficient available funds.

CHECK CASHING - We may charge a fee for anyone that does not have an account with

us first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 30-day limitation is without regard to whether we used good faith. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.
Errors relating to electronic fund transfers or substitute checks - For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

ACCOUNT TRANSFER - This account may not be transferred or assigned without our prior written consent.
RIGHT TO REPAIRMENT OF INDEBTEDNESS - In connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and when permitted by law to charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of the persons' or legal entity's right of withdrawal. If a debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we charge the account, including any balance the due date for which we properly accrued under the note. In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien. Neither our contract rights nor rights under a statutory lien apply to this account if prohibited by law. For example, neither our contract rights nor rights under a statutory lien apply to this account if it is (a) an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtors' right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

ADDITIONAL AUTHORIZED SIGNATORY (Individual Accounts only) - A single individual is the owner. The additional authorized signatory is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

RESTRICTIVE LEGENDS - We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00."

PAYMENT ORDER OR ITEMS - This law permits us to pay items (such as checks or drafts) drawn on our account by any person in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write. When processing items drawn on your account, our policy is to pay them according to the dollar amount. We pay the largest items first. The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. Our payment policy will cause your largest, and perhaps more important, items to be paid first (such as your rent or mortgage payment), but may increase the overdraft or NSF fees you will have to pay if funds are not available to pay all of the items. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

PLEDGES - Unless we agree otherwise in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

CHECK PROCESSING - We may process items mechanically by relying on the information encoded along the bottom of the items. This means that we may not individually examine all of your items to determine if the item is properly completed, signed and indorsed. You agree that we have not indorsed or endorsed our cash solely because we use an automated system to process items and do not inspect all items processed in such a manner. We reserve the right not to inspect each item because using an automated process helps us keep costs down for you and all account holders. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item to you or not. We reserve the right to return items to you without first checking the amount of available funds in your account for the purpose of deciding whether to return the item or send a notice of insufficient funds. We need only make one determination, but if we choose to make a subsequent determination, the account balance and the subsequent time will determine whether there are insufficient available funds.

CHECK CASHING - We may charge a fee for anyone that does not have an account with

us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft, or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and include collecting a thumbprint or fingerprint.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we may have any receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the prior originating check payment will not be considered to have paid the amount so credited. If we receive a payment order to credit an account you have with us by us or ACH, we are not required to give you any notice of the payment order or credit.

FACSIMILE SIGNATURES - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

This Electronic Fund Transfer Disclosure does not apply to any accounts other than those consumer accounts, as defined by Regulation E.

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Electronic Fund Transfers Initiated By Third Parties. You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will put a sign and print the receipt on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. This, you should only provide your credit union and account information (whether over the phone, the internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your checking or savings account(s). You may also choose to have an ACH credit originated by FSCU be drawn against your account at another financial institution and deposited into your FSCU account.

Preauthorized payments. You may make arrangements to pay certain recurring bills from your checking or savings account(s). You may also choose to have an ACH debit originated from your FSCU savings or checking account and deposited into your account at another financial institution.

Electronic check or draft conversion. You may authorize a merchant or other party to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills.

Electronic returned check or draft charge. You may authorize a merchant or other party to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

Auto-Initiate Telephone Transfers - types of transfers - You may access your personal information through a computer program.

Online Banking Computer Transfers - types of transfers - You may access your account(s) by computer 24 hours a day at www.firstsouth.com and using your member number and PIN.

Transfer funds from checking to savings

Transfer funds from line of credit to checking account(s)

Transfer funds from checking to loan account(s) with us

Make payments from checking to loan account(s) with us

Make payments from savings to loan accounts with us

Get information about:

- the account balance of checking account(s)

- the last deposit to checking account(s)

- the last withdrawal from checking account(s)

- the account balance of savings account(s)

- the last deposit to savings account(s)

- the last withdrawal from savings account(s)

- get cash withdrawals from line of credit (loan account) with a debit card *

- transfer funds from savings to checking account(s) with a debit card *

- get cash withdrawals from money market account(s) with a debit card *

- transfer funds from checking account(s) to money market with a debit card *

- transfer funds from checking to savings account(s) with a debit card *

- make payments from checking account(s) with a debit card to us

- get information about:

- the account balance of your checking account(s)

- with a debit card

- the account balance of your savings account(s)

- with a debit card

- First South ATMs only.

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

Types of Visa Debit Card Transactions - You may access your account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

Currency Conversion and International Transactions. When you use your Visa debit card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable credit processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable credit processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Visa USA charges us a 3% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. In either case, we pass this international transaction fee to you. An international transaction is a transaction where the country of the merchant is outside the USA.

Non-Visa Debit Transaction Processing. We have enabled non-Visa debit transaction processing. This means you may use your Visa-branded debit card on a PIN-Debit NetworkSM (a non-Visa network) without using a PIN. The non-Visa debit network(s) for which such transactions are enabled are: AFIN, PULSE, and ACCEL/Exchange Networks.

Examples of the types of actions that you may be required to make to initiate a Visa transaction over the phone or via the internet, or by wiring the card through a point-of-sale terminal.

Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN.

The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit transactions are not applicable to transactions processed on a PIN-Debit Network.

Visa Rules generally define **PIN-Debit Network** as a non-Visa debit network that typically authenticates transactions via use of a personal identification number (PIN) but that is not a Visa-branded card having a card program.

Online Banking Computer Transfers - types of transfers - You may access your account(s) by computer 24 hours a day at www.firstsouth.com and using your member number and PIN.

Transfer funds from checking to savings

Transfer funds from line of credit to checking account(s)

Transfer funds from checking to loan account(s) with us

Make payments from checking to loan accounts with us

Make payments from savings to loan accounts with us

Get information about:

- make payments from savings to loan accounts with us

- get information about:

- the account balance of checking accounts

- deposits to checking accounts

- withdrawals from checking accounts

- the account balance of savings accounts

- deposits to savings accounts

- withdrawals from savings accounts

- **FEES**

- We do not charge for direct deposits to any type of account.

- We do not charge for preauthorized payments from any type of account.

- Except as indicated elsewhere, we do not charge for these electronic fund transfers.

ATM Operator/Network Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION - You can get a receipt at the time you make a transfer to or from you using an automated letter machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.

Preauthorized credits. 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 call us at (601) 380-7400, 1-800-873-3728, or Audio Line at (601) 380-7300 or 1-800-445-2958 to find out whether or not the deposits have been made.

Periodic statements. - You will get a monthly account statement from us for your checking accounts.

- You will receive a statement from us at least once a year if you do not more frequently. The frequency of your statement mailing will depend upon the type of account(s) you have with us and the activity level of those accounts.

PREAUTHORIZED PAYMENTS

Right to stop payment and procedure for doing so. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this brochure in time for us to receive your request 3 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.

Please refer to our separate fee schedule for the amount we will charge you for each stop-payment order you give.

Notice of varying amounts. If these regular payments may vary in amount, the person you are going to pay will give 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.)

Liability for failure to stop payment of preauthorized transfer. If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

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:

(1) If you have no funds in your account to make the transfer.

(2) If you have an overdraft line and the transfer would go over the credit limit.

(3) If the automated letter machine where you are making the transfer does not have enough cash.

(4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.

(5) If circumstances prevent our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.

(6) There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make.

(1) where it is necessary for completing transfers; or

(2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or

(3) in order to comply with government agency or court orders; or

(4) as explained in the separate Privacy Disclosure.