

TERMS AND CONDITIONS OF YOUR ACCOUNT

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 and retain it for future reference. 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. If you have any questions, please call us.

This agreement is subject to applicable federal laws, the laws of the state of North Carolina and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that 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:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) 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. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. 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 so the singular includes the plural and the plural includes the singular.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this 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 be liable for our costs 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. This includes, but is 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. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily 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. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

WITHDRAWALS

Generally - 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.

Postdated checks - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the

date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

Checks and withdrawal rules - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified. Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify it as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

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 to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

Overdrafts - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

Multiple signatures, electronic check conversion, and similar transactions - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

Notice of withdrawal - We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. 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 - You intend and agree that regardless of whose funds are deposited in the account that upon your death the balance in the account will belong to the survivor(s). If two or more of you survives, you will own the balance in the account as joint tenants with right of survivorship. This agreement is governed by North Carolina General Statutes § 54C-165.

Personal Agency Accounts - Such an account allows you to name an agent who will have the authority to make withdrawals from the account by check or otherwise and indorse checks payable to you for deposit only into the account and otherwise make deposits. In addition, you may elect to extend the authority of your agent so your agent may act notwithstanding your subsequent incapacity or mental incompetency. Your agent's authority would then end at such time as the agent receives notification from a qualified guardian or duly appointed attorney-in-fact. If you do not elect to extend the authority of your agent, then your subsequent incapacity or mental incompetency will terminate the authority of your agent. This agreement is governed by North Carolina General Statutes § 54C-167.

Payable on Death (POD) Account - A beneficiary cannot withdraw unless: (1) the person creating the account dies, and (2) the beneficiary is then living. The person creating this account type reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time. This agreement is governed by North Carolina General Statutes § 54C-166(a).

STOP PAYMENTS - Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was verbal your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

TELEPHONE TRANSFERS - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. 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 transfer restrictions may be described elsewhere.

AMENDMENTS AND TERMINATION - We may change any term of this agreement. Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. We will close an account if it has either: 1) a zero ledger balance for 45 consecutive calendar days or, 2) a negative ledger balance for 55 consecutive calendar days. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. You agree to keep us informed of your current address at all times. Notice from us to any one of you is notice to all of you. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

STATEMENTS - Your duty to report unauthorized signatures, alterations and forgeries - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we 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 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Your duty to report other errors - In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such

as an encoding error. You agree that the time you have to examine your statement and report to us will depend on the circumstances. However, such time period shall not exceed 60 days. Failure to examine your statement and report any such errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any such errors on items identified in that statement and as between you and us the loss will be entirely yours.

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.

DIRECT DEPOSITS - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, 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.

TEMPORARY ACCOUNT AGREEMENT - If this option is selected, this is a temporary account agreement. Each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

SETOFF - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the 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 set off, including any balance the due date for which we properly accelerate under the note.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is 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 debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

RESTRICTIVE LEGENDS - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for special instructions or "restrictive legends" on every check. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." For this reason, we are not required to honor any restrictive legend 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 - 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. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

Our policy is to process fees from previous day first - in the order in which they are received for the day on which they are processed. We process priority items (such as wire transfers, over-the-counter cashed checks, ATM withdrawals, internet banking transactions, Bill Pay transactions, and other non-returnable items) second - in the order in which they are received for the day on which they are processed. We process ATM/Visa Debits third - in the order in which they are received for the day on which they are processed. We process ACH transactions fourth - according to the dollar amount with the smallest items being processed first for the day on which they are processed. We process checks fifth - in numerical order for the day on which they are processed.

If a check, item or transaction (other than an ATM or everyday debit card transaction) 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 for insufficient funds (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and everyday debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

Non-sufficient Funds/Overdrafts/Returned Items - If your account lacks sufficient funds to pay any "debit activity" presented for payment to your account, we may return such item for non-sufficient funds and will charge you a fee as provided in the Disclosures, subject to our Overdraft Policy, if any. Examples of "debit activity" on your account may include when you write a check or draft, withdraw or transfer money in person or from an ATM, use your Debit Card to make a purchase, transfer money using On-Line Banking, Telephone Banking, make an automatic bill payment, automatic loan payment or other electronic payment, including any other similar activities. We will not charge you a Non-sufficient Funds or Overdraft fee if the payment of a one-time (nonrecurring) VISA Debit transaction or ATM withdrawal resulted in a

negative balance on your account unless you have opted-in to allow us to charge you a fee for those items. An overdraft condition will occur any time that a "debit activity" item is presented for payment against your account for more money than the available balance in your account. When an overdraft condition occurs the Bank may, in its sole discretion, pay the item or return the item. You shall not rely on the Bank to honor or pay items based on previous actions taken by the Bank to pay items. If the Bank elects to pay the item, each account holder, agrees to reimburse the Bank immediately for the amount of the overdraft, plus any fees, whether the overdraft was caused by you or another person authorized to use the account. You agree to pay a fee for any paid item which results in an overdraft, or for any returned item.

Overdraft Protection Advance Fee - If this account is designated by you to automatically advance funds into a Non-ConnectStyle checking deposit account to cover a negative balance overdraft condition in that account, this account will be charged a \$5.00 cash advance fee each time that an automatic cash advance occurs.

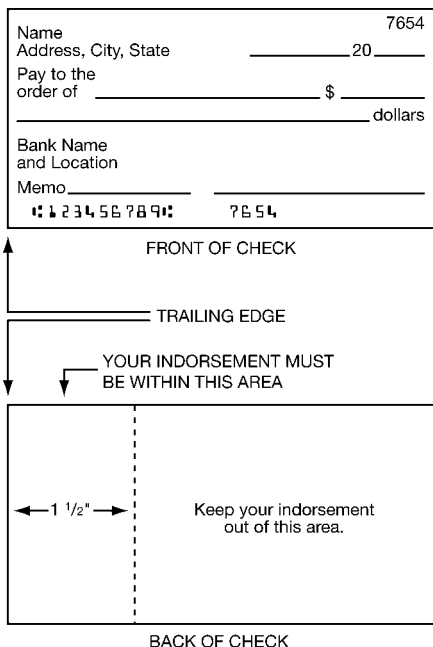
CHECK PROCESSING - We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have not failed to exercise ordinary care solely because we use our automated system to process items and do not inspect all items processed in such a manner. Using an automated process helps us keep costs down for you and all account holders.

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 may include collecting a thumbprint or fingerprint.

INDORSEMENTS - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement.

These indorsement guidelines apply to both personal and business checks.

DEATH OR INCOMPETENCE - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or becomes legally incompetent. We may continue to honor your checks, items, and instructions

until: (a) we know of your death or incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or legal incompetence for up to ten (10) days after your death or legal incompetence unless ordered to stop payment by someone claiming an interest in the account.

FIDUCIARY ACCOUNTS - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

CREDIT VERIFICATION - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

LEGAL ACTIONS AFFECTING YOUR ACCOUNT - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

SECURITY - It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account. If you provide your account number in response to a telephone solicitation for the purpose of making a transfer (to purchase a service or merchandise, for example), payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

You agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, such as positive pay or commercially reasonable security procedures, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith or to the extent our negligence contributed to the loss.

TELEPHONIC INSTRUCTIONS - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

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, including giving us 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 related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. 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 attorneys' fees incurred by you.

You agree that 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.

EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals) - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

ADDRESS OR NAME CHANGES - You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

RESOLVING ACCOUNT DISPUTES - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

WAIVER OF NOTICES - You waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account.

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 and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every 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 party originating such 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 wire or ACH, we are not required to give you any notice of the payment order or credit.

FACSIMILE SIGNATURES - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing 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. You give us this authority 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. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

CHECKING ACCOUNT ORGANIZATION - We have organized your Checking account in a nontraditional way. Your Checking account consists of two subaccounts. One of these is a transaction subaccount (e.g., a checking subaccount). You will transact business on this subaccount. The other is a nontransaction subaccount (e.g., a savings subaccount). You cannot directly access the nontransaction subaccount, but you agree that we may automatically, and without a specific request from you, initiate individual transfers of funds between subaccounts from time to time at no cost to you. This account organization will not change the amount of federal deposit insurance available to you, your available balance, the information on your periodic statements, or the interest calculation, if this is an interest-bearing account. You will not see any difference between the way your Checking account operates and the way a traditionally organized Checking account operates, but this organization makes us more efficient and helps to keep costs down.

NOTICE OF NEGATIVE INFORMATION

Federal law requires us to provide the following notice to customers before any "negative information" may be furnished to a nationwide consumer reporting agency. "Negative information" includes information concerning delinquencies, overdrafts or any form of default. This notice does not mean that we will be reporting such information about you, only that we may report such information about customers that have not done what they are required to do under our agreement.

After providing this notice, additional negative information may be submitted without providing another notice.

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

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

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 to an electronic fund transfer or to electronically pay a returned check 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 post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank 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).
- ◆ **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking or savings account(s).
- ◆ **Electronic check conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.
- ◆ **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

Automated (24 Hour Customer Service) Telephone Transfers - types of transfers - You may access your account by telephone using your personal identification number, a touch tone phone, your account numbers, and your social security number, to:

- ◆ transfer funds from checking to money market (maximum transfer \$10,000.00)
- ◆ transfer funds from money market to checking (maximum transfer \$10,000.00)
- ◆ get information about:
 - the account balance of checking, savings, or money market accounts
 - the recent deposits to checking, savings, or money market accounts
 - the recent withdrawals from checking, savings, or money market accounts
 - rates, particular checks, a range of checks, balance and interest for certificates and loan interest, payments and activity

ATM Transfers - types of transfers and frequency and dollar limitations - You may access your account(s) by ATM using your ATM card or Visa® Check Card and personal identification number, to:

- ◆ get cash withdrawals from checking, money market, or savings account(s) with an ATM/Visa Check Card
 - you may withdraw no more than \$605.00 per day
- ◆ transfer funds from money market to checking or savings account(s) with an ATM/Visa Check Card
- ◆ transfer funds from checking to money market or savings account(s) with an ATM/Visa Check Card
- ◆ transfer funds from savings to money market or checking account(s) with an ATM/Visa Check Card
- ◆ get information about:
 - the account balance of your checking, savings, or money market accounts
 - ◆ with an ATM/Visa Check Card

You may make no more than 10 transactions per day with your Visa® Check Card.

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

Cash Advances:

Using your ATM/VISA Check Card you may not exceed \$605.00 per day.

Types of ATM Point-of-Sale Transactions - You may access your checking, money market, or savings account(s) to purchase goods (in person) or pay for services (in person).

Point-of-Sale Transactions - dollar limitations - Using your ATM card for point-of-sale:

- ◆ you may not exceed \$605.00 in transactions per day (ATM withdrawals included)

Types of Visa® Check Card Point-of-Sale Transactions - You may access your checking or money market 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.

Point-of-Sale Transactions - dollar limitations and charges - Using your Visa® Check Card for point-of-sale:

- ◆ you may not exceed \$3,000.00 in signature-based transactions per day, or \$3,000.00 per day using your PIN
- ◆ see Common Features for any charges

The Terms "VISA® Check Card" and "VISA® Debit Card" - refer to the same card type that is used to access and debit deposit accounts through ATMs, merchant point-of-sale terminals, and other electronic funds transfer services and processes.

Currency Conversion and International Transactions. When your Card(s) is used for an international transaction, Visa, will convert the transaction amount from the foreign currency amount to a United States of America dollar amount in accordance with Visa's currency conversion procedures in effect at the time the transaction is processed. The current currency conversion regulations provide that the currency exchange rate to be used is either (a) a rate selected by Visa from the range of rates available in wholesale currency markets for the

applicable central processing dates, which rate may vary from the rate Visa itself receives, or (b) a government mandated rate in effect for the central processing date, plus an International Service Assessment (ISA) Fee as provided for by Visa®. Because of fluctuation in foreign exchange rates, the currency exchange rate in effect on the date the transaction is processed may be different than the currency exchange rate in effect on the date of the transaction or the date of posting. An ISA fee may be applied to each international transaction occurring outside the United States of America, Puerto Rico or the US Virgin Islands, whether or not foreign currency has to be converted to United States dollars. The ISA fee imposed on any transaction may be included as a part of the transaction amount or displayed as a separate charge on your monthly statement.

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 Network* (a non-Visa network) without using a PIN. This type of transaction has a daily limit of \$250.00.

The non-Visa debit network(s) for which such transactions are enabled are: NYCE and CIRRUS Networks.

Examples of the types of actions that you may be required to make to initiate a Visa transaction on your Visa-branded debit card include signing a receipt, providing a card number over the phone or via the Internet, swiping the card through a point-of-sale terminal, or ATM withdrawals.

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, having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN, and ATM withdrawals.

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 card 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 by use of a personal identification number (PIN) but that is not generally known for having a card program.

Online Banking Computer Transfers - types of transfers and charges - You may access your account(s) by computer by internet access to www.ashevillevsavingsbank.com and using your personal login credentials, to:

- ◆ transfer funds from checking to checking, savings or money market
- ◆ transfer funds from savings to checking, savings or money market
- ◆ transfer funds from money market to checking, savings or money market
- ◆ make payments from checking, savings and money market to loan accounts with us
- ◆ make payments from checking and money market to third parties
 - see Common Features for any charges
- ◆ get information about:
 - the account balance of checking, savings, or money market accounts
 - the account balance of loan 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

- ◆ **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller 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, the person or company making the deposit may tell you every time they send us the money.
- ◆ **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 (828) 254-7411 or (800) 222-3230 to find out whether or not the deposit has been made.
- ◆ **Periodic statements.**
 - You will get a monthly account statement from us for your checking, interest checking, money market, and savings accounts.
 - If the only possible electronic fund transfers to or from your Dime-a-Saurus Savings account are preauthorized credits, you will get a quarterly statement from us.

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 Common Features 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 may tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- ◆ **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments and provide us with the exact amount of the payment 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, through no fault of ours, you do not have enough money 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 teller 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 beyond 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.

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. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If 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 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If 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® Check 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® Check 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®.

Visa cards may not be used for any illegal transactions.

(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 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 60 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 will 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® Check 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 (90 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® Check 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.

ASHEVILLE SAVINGS BANK, SSB
OPERATIONS DEPARTMENT
P.O. BOX 652
ASHEVILLE, NORTH CAROLINA 28802
Business Days: Monday through Friday
Excluding Federal Holidays
Phone: (828) 254-7411 or (800) 222-3230
MORE DETAILED INFORMATION IS AVAILABLE
ON REQUEST

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all deposit accounts.

Our policy is to make funds from your check deposits available to you on the first business day after the day we receive your deposit. Cash and electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them 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 first business day after the day of 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 \$200 of your deposits, however, will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. 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 left the premises, we will mail you the notice by the day after we receive your deposit.

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

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 redeposit 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.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new customer, 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 cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on

the first business 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 a 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 ninth business day after the day of your deposit.

TRUTH-IN-SAVINGS DISCLOSURE

SMARTSTYLE CHECKING ACCOUNT

Eligibility Requirements

To qualify for SmartStyle Checking rates and benefits, you must:

- ◆ Have 10 debit card purchases settle to your account in the qualification period. ATM Transactions are not considered purchases.
- ◆ Have at least one of the following ACH Transactions post to the account in the qualification period: Direct Deposit, ACH Draft or Online Bill Payment
- ◆ Sign up for, receive and view eStatements, which includes acceptance of the online terms and conditions on Asheville Savings Bank's website. If your Asheville Savings Bank internet banking is inactive for 90 days, this service will be discontinued and you will be unable to receive eStatements. This will result in the Premium Interest Rate qualifications not being met.

Qualification Periods are listed in the SmartStyle Commitment Form included with these Terms and Conditions and online at www.asheillesavingsbank.com.

If you have met your eligibility requirements for the month, we will pay the disclosed premium interest rate and refund domestic ATM fees up to \$4.99 per transaction.

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

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

Minimum balance to open the account - You must deposit \$50.00 to open this account.

Minimum balance to avoid imposition of fees - A maintenance fee of \$6.00 will be imposed every statement cycle if the balance in the account falls below \$2,500.00 any day of the cycle.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

CONNECTSTYLE ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

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

Minimum balance to open the account - You must deposit \$50.00 to open this account.

Minimum balance to avoid imposition of fees - A maintenance fee of \$15.00 will be imposed every statement cycle unless one of the following qualifications are met on each day of the cycle:

- ◆ Maintain a minimum daily balance of at least \$4,000.00 in this checking account
- ◆ Maintain minimum daily balances of at least \$4,000.00 combined in checking, savings, money market and/or certificate of deposit accounts
- ◆ Maintain an Asheville Savings Bank home mortgage balance
- ◆ Maintain an Asheville Savings Bank home equity line of credit

Minimum balance to obtain the annual percentage yield disclosed - You must maintain a minimum balance of \$500.00 in the account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

FIFTYFIVESTYLE CHECKING ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

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

Minimum balance to open the account - You must deposit \$50.00 to open this account.

Minimum balance to obtain the annual percentage yield disclosed - You must maintain a minimum balance of \$500.00 in the account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

FREESTYLE CHECKING ACCOUNT

Minimum balance to open the account - You must deposit \$50.00 to open this account.

Cancelled checks or images of cancelled checks are not returned with the monthly statement.

WORKSTYLE CHECKING ACCOUNT

To qualify for the WorkStyle Checking Account you must be employed by a company that sponsors the WorkStyle Banking Program. Should your status change and you are no longer employed by a company that sponsors the WorkStyle Banking Program, your account will be switched to a FreeStyle Checking account product.

Minimum balance to open the account - You must deposit \$50.00 to open this account.

Cancelled checks or images of cancelled checks are not returned with the monthly statement.

SAVINGSSTYLE ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

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

Minimum balance to open the account - You must deposit \$50.00 to open this account.

Minimum balance to avoid imposition of fees - A maintenance fee of \$3.00 will be imposed every statement cycle if the balance in the account falls below \$300.00 any day of the cycle.

Minimum balance to obtain the annual percentage yield disclosed - You must maintain a minimum balance of \$50.00 in the account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

Transaction limitations:

Transfers from a SavingsStyle account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by debit card or similar order to third parties are limited to six per statement cycle.

Fees:

An excess transaction fee of \$10.00 will be charged for each transaction that exceeds the transaction limitations defined above.

DIME-A-SAURUS SAVINGS ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

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

Minimum balance to open the account - You must deposit \$25.00 to open this account.

Minimum balance to obtain the annual percentage yield disclosed - You must maintain a minimum balance of \$25.00 in the account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

Transaction limitations:

You may not make any transfers from this account to another account of yours or to third parties by preauthorized, automatic, or telephone transfer or similar order to third parties.

Account ownership - You must be age 16 or younger to open this account. Accounts opened for children under the age of 12 must be held as a Custodial Account under the North Carolina Uniform Transfers to Minors Act.

HEALTHSTYLE CHECKING ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

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

Minimum balance to open the account - You must deposit \$100.00 to open this account.

Minimum balance to obtain the annual percentage yield disclosed - You must maintain a minimum balance of \$100.00 in the account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

Fees:

A maintenance fee of \$3.00 will be charged each monthly statement cycle.

MONEYMARKETSTYLE ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

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

Minimum balance to open the account - You must deposit \$500.00 to open this account.

Minimum balance to avoid imposition of fees - A maintenance fee of \$10.00 will be imposed every statement cycle if the balance in the account falls below \$1,000.00 any day of the cycle.

Minimum balance to obtain the annual percentage yield disclosed - You must maintain a minimum balance of \$1,000.00 in the account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

Transaction limitations:

Transfers from a MoneyMarketStyle account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by debit card or similar order to third parties are limited to six per statement cycle.

Fees:

An excess transaction fee of \$10.00 will be charged for each transaction that exceeds the transaction limitations defined above.

PREMIER MONEYMARKETSTYLE ACCOUNT

Rate Information - Your interest rate and annual percentage yield may change.

Frequency of rate changes - We may change the interest rate on your account at any time.

Determination of rate - At our discretion, we may change the interest rate on your account.

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

Minimum balance to open the account - You must deposit \$10,000.00 to open this account.

Minimum balance to avoid imposition of fees - A maintenance fee of \$12.00 will be imposed every statement cycle if the balance in the account falls below \$10,000.00 any day of the cycle.

Minimum balance to obtain the annual percentage yield disclosed - You must maintain a minimum balance of \$10,000.00 in the account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - We use the daily balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day.

Accrual of interest on noncash deposits - Interest begins to accrue on the first business day after the banking day you deposit noncash items (for example, checks).

Transaction limitations:

Transfers from a Premier MoneyMarketStyle account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by check, debit card or similar order to third parties are limited to six per monthly statement cycle.

Fees:

An excess transaction fee of \$10.00 will be charged for each transaction that exceeds the transaction limitations defined above.

COMMON FEATURES

Please refer to our separate Fee Schedule for additional information about charges.

We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

YOUR ACCOUNT

These are the accounts you have opened or inquired about. Further details about these accounts are inside this brochure. If the figures are not filled in, please see the insert that is with this disclosure or your periodic statement.

- FREESTYLE CHECKING ACCOUNT**
- WORKSTYLE CHECKING ACCOUNT**

This account is a non-interest bearing account and has no associated rate tiers.

- SMARTSTYLE CHECKING ACCOUNT**

Rate Information:

If you meet The SmartStyle Checking requirements, the following interest rate and annual percentage yield will apply:

- ◆ **Tier 1** - An interest rate of _____ % will be paid only for that portion of your daily balance that is greater than **\$25,000.00**. The annual percentage yield for this tier will vary depending on the account balance.
- ◆ **Tier 2** - If your daily balance is **\$25,000.00** or less, the interest rate paid on the entire balance will be _____ % with an annual percentage yield of _____ %.

If you do not meet SmartStyle Checking requirements, the following interest rate and annual percentage yield will apply to all balances:

The interest rate for your account is _____ % with an annual percentage yield of _____ %.

- CONNECTSTYLE CHECKING ACCOUNT**
- FIFTYFIVESTYLE CHECKING ACCOUNT**

Rate Information:

- ◆ **Tier 1** - If your daily balance is \$100,000.00 or more, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 2** - If your daily balance is more than \$49,999.99, but less than \$100,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 3** - If your daily balance is more than \$24,999.99, but less than \$50,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 4** - If your daily balance is more than \$9,999.99, but less than \$25,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 5** - If your daily balance is more than \$499.99, but less than \$10,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

- SAVINGSSTYLE ACCOUNT**

Rate Information:

- ◆ **Tier 1** - If your daily balance is \$100,000.00 or more, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 2** - If your daily balance is more than \$49,999.99, but less than \$100,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 3** - If your daily balance is more than \$24,999.99, but less than \$50,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 4** - If your daily balance is more than \$9,999.99, but less than \$25,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

- ◆ **Tier 5** - If your daily balance is more than \$49.99, but less than \$10,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

- DIME-A-SAURUS SAVINGS ACCOUNT**

Rate Information:

- ◆ **Tier 1** - If your daily balance is \$100,000.00 or more, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 2** - If your daily balance is more than \$49,999.99, but less than \$100,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 3** - If your daily balance is more than \$24,999.99, but less than \$50,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 4** - If your daily balance is more than \$9,999.99, but less than \$25,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 5** - If your daily balance is more than \$24.99, but less than \$10,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

- HEALTHSTYLE CHECKING ACCOUNT**

Rate Information:

- ◆ **Tier 1** - If your daily balance is \$100,000.00 or more, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 2** - If your daily balance is more than \$49,999.99, but less than \$100,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 3** - If your daily balance is more than \$24,999.99, but less than \$50,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 4** - If your daily balance is more than \$9,999.99, but less than \$25,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 5** - If your daily balance is more than \$99.99, but less than \$10,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

- MONEYMARKETSTYLE ACCOUNT**

Rate Information:

- ◆ **Tier 1** - If your daily balance is \$100,000.00 or more, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 2** - If your daily balance is more than \$49,999.99, but less than \$100,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.
- ◆ **Tier 3** - If your daily balance is more than \$24,999.99, but less than \$50,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

◆ **Tier 4** - If your daily balance is more than \$9,999.99, but less than \$25,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

◆ **Tier 5** - If your daily balance is more than \$999.99, but less than \$10,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

PREMIER MONEYMARKETSTYLE ACCOUNT

Rate Information:

◆ **Tier 1** - If your daily balance is \$100,000.00 or more, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

◆ **Tier 2** - If your daily balance is more than \$49,999.99, but less than \$100,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

◆ **Tier 3** - If your daily balance is more than \$24,999.99, but less than \$50,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.

◆ **Tier 4** - If your daily balance is more than \$9,999.99, but less than \$25,000.00, the interest rate paid on the entire balance in your account will be _____ % with an annual percentage yield of _____ %.



**ASHEVILLE
SAVINGS BANK**

ASHEVILLE, NORTH CAROLINA 28802

**MEMBER
FDIC**

Certificate of Deposit Terms and Conditions

DEFINITIONS: As used in these Terms and Conditions on page 2, "we," "our," and "us" mean the issuer of this account and "you" and "your" mean the depositor(s). "Account" means the original certificate of deposit as well as the deposit it evidences.

TRANSFER: "Transfer" means any change in ownership, withdrawal rights, or survivorship rights, including (but not limited to) any pledge or assignment of this account as collateral. You cannot transfer this account without our written consent.

PRIMARY AGREEMENT: You agree to keep your funds with us in this account until the maturity date. (An automatically renewable account matures at regular intervals.) You may not transfer this account without first obtaining our written consent.

This account is void if the deposit is made by any method requiring collection (such as a check) and the deposit is not immediately collected in full. If the deposit is made or payable in a foreign currency, the amount of the deposit will be adjusted to reflect final exchange into U.S. dollars.

We may change any term of this agreement. Rules governing changes in interest rates have been provided. For other changes we will give you reasonable notice in writing or by any other method permitted by law.

If any notice is necessary, you all agree that the notice will be sufficient if we mail it to the address listed on page one of this form. You must notify us of any change.

WITHDRAWALS AND TRANSFERS: Only those of you who sign the permanent signature card may withdraw funds from this account. (In appropriate cases, a court appointed representative, a beneficiary of a trust or pay-on-death account whose right of withdrawal has matured, or a newly appointed and authorized representative of a legal entity may also withdraw from this account.) The specific number of you who must agree to any withdrawal is written on page one in the section bearing the title ". . . Number of Endorsements" This means, for example, that if two of you sign the signature card but only one endorsement is necessary for withdrawal then either of you may request withdrawal of the entire account at any time.

These same rules apply to define the names and the number of you who can request our consent to a transfer.

PLEDGES: Any pledge of this account (to which we have agreed), must first be satisfied before the rights of any joint account survivor, pay-on-death beneficiary or trust account beneficiary become effective. For example, if one joint tenant pledges the account for payment of a debt and then dies, the surviving joint tenant's rights in this account are subject first to the payment of the debt.

ACCOUNT OWNERSHIP: You intend these rules to apply to this account depending on the form of ownership and beneficiary designation, if any, specified on page 1. 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 - Such an account is owned by one person.

Joint Account - With Survivorship - Such an account is issued in the name of two or more persons. Each of you intends that regardless of whose funds are deposited in the account, upon your death the balance in the account (subject to any previous pledge to which we have consented) 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 until you inform us of a change in ownership or close this account. This agreement is governed by North Carolina General Statutes § 54C-165.

Payable on Death Account G.S. 54C-166(a) - A beneficiary acquires the right to withdraw only if (1) the person creating the account dies, and (2) the beneficiary is then living. The person creating this account type reserves the right to: (1) change beneficiaries; (2) change account types; and (3) withdraw all or any part of the deposit at any time. This agreement is governed by North Carolina General Statutes § 54C-166(a).

Trust Account Subject to Separate Agreement - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

Personal Agency Accounts - Such an account allows you to name an agent who will have the authority to make withdrawals from the account by check or otherwise and endorse checks payable to you for deposit only into the account and otherwise make deposits on your behalf. In addition, you may elect to extend the authority of your agent so your agent may act notwithstanding your subsequent incapacity or mental incompetence. Your agent's authority would then end at such time as the agent receives notification from a qualified guardian or duly appointed attorney-in-fact. If you do not elect to extend the authority of the agent, then your subsequent incapacity or mental incompetency will terminate the authority of your agent. This agreement is governed by North Carolina General Statutes § 54C-167.

Corporate, Partnership, and other Organizational Accounts - We reserve the right to require the governing body of the legal entity to give us a separate authorization telling us who is authorized to act on its behalf. We will honor such an authorization until we actually receive written notice of a change from the governing body.

SET-OFF: You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against 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 such person's or legal entity's right to withdraw. If the 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 set off, including any balance the due date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

BALANCE COMPUTATION METHOD: We use the daily balance method to calculate the interest on this account. This method applies a daily periodic rate to the principal in the account each day.

TRANSACTION LIMITATIONS: You cannot make additional deposits to this account during the term (other than credited interest) unless this account is a Blended Rate CD. You cannot withdraw principal from this account without our consent except on or after maturity.

For accounts with terms less than 31 days, there is a two day grace period or for accounts with terms of 31 days or more, there is a ten-day grace period after each maturity date during which you may redeem it without penalty. For accounts that have pre-determined interest rate changes during the term, commonly referred to as step-rate or rising-rate certificates of deposit, there is a five-day grace period after each rate change date during which withdrawals are permitted without penalty.

In certain circumstances such as the death or incompetence of an owner of this account, federal regulations permit, or in some cases require, the waiver of the early withdrawal penalty.

FOR ACCOUNTS THAT AUTOMATICALLY RENEW: Each renewal term will be the same as this original one, beginning on the maturity date (unless we notify you, in writing, before a maturity date, of a different term for renewal).

You must notify us in writing before, or within the grace period if you do not want this account to automatically renew. Interest earned during one term that is not withdrawn during or immediately after that term is added to the principal for the renewal term. For accounts with terms less than 31 days, there is a two day grace period or for accounts with terms of 31 days or more, there is a ten-day grace period after the maturity date during which you may redeem it without penalty.

Interest earned during one term that is not withdrawn during or immediately after that term is added to principal for the renewal term.

The rate for each renewal term will be determined by us on or just before the renewal date. You may call us on or shortly before the maturity date and we can tell you what the interest rate will be for the next renewal term. On accounts with terms of longer than one month we will remind you in advance of the renewal and tell you when the rate will be known for the renewal period.

See your plan disclosure if this account is part of an IRA or Keogh.



ASHEVILLE SAVINGS BANK

Welcome to SmartStyle Checking

We are happy to be able to provide you with a checking account that can help you achieve your financial goals. Our **SmartStyle Checking Account***, provides you with the ability to earn a premium interest rate as well as ATM fee refunds¹ based on the following activities occurring during each qualification period.³

I understand that in order to earn the premium interest rate and receive ATM refunds¹, I must:

- Have 10 debit card purchases settle to my account in the qualification period. ATM Transactions are not considered purchases².
- Have at least one of the following ACH transactions post to the account in the qualification period: Direct Deposit, ACH Draft or Online Bill Payment.
- For further information on qualification periods³, please visit: AshevilleSavingsBank.com/BankingPersonal/Checking/SmartStyleQualification.aspx
- Sign up for, receive and view eStatements⁴, which includes acceptance of the online terms and conditions on the Asheville Savings Bank online banking website. To sign up, please visit: AshevilleSavingsBank.com.

Rates:

If Qualifications are met:	APY ⁵
PREMIUM RATE TIER: Balances Up To \$25,000	0.50%
Balances Over \$25,000	0.10%
If Qualifications are NOT met:	
MINIMUM RATE TIER: Entire Account Balance	0.05%

¹ ATM Fees assessed by US Banks will be refunded up to \$4.99 per transaction for each statement cycle that qualifications are met. Refunds are not issued for international ATM Fees.

² ATM Transactions, Account-to-Account (A2A) Payment Transactions and other transactions not processed through the Visa network are not considered purchases.

³ Qualification periods are listed on the next page or at: AshevilleSavingsBank.com/BankingPersonal/Checking/SmartStyleQualification.aspx.

⁴ If your Asheville Savings Bank internet banking is inactive for 90 days, this service will be discontinued and you will be unable to receive eStatements. This will result in the Premium Interest Rate qualifications NOT being met.

⁵ Annual Percentage Yield (APY) for the SmartStyle Account is accurate as of (7.29.2013). APY is variable and subject to change. Minimum deposit to open is \$50.00. Qualification is based on requirements being met during the qualification cycle as disclosed at account opening and is subject to change.

* Please note: A service charge fee of \$6.00 will be imposed every statement cycle if the balance in the account falls below \$2,500.00 any day of the cycle.



ASHEVILLE SAVINGS BANK

Welcome to SmartStyle Checking

Statement Date

2013

Qualification Period

Monday, January 28, 2013	12.28.2012 - 1.25.2013
Thursday, February 28, 2013	1.26.2013 - 2.27.2013
Thursday, March 28, 2013	2.28.2013 - 3.27.2013
Sunday, April 28, 2013	3.28.2013 - 4.25.2013
Tuesday, May 28, 2013	4.26.2013 - 5.24.2013
Friday, June 28, 2013	5.25.2013 - 6.27.2013
Sunday, July 28, 2013	6.28.2013 - 7.25.2013
Wednesday, August 28, 2013	7.26.2013 - 8.27.2013
Saturday, September 28, 2013	8.28.2013 - 9.26.2013
Monday, October 28, 2013	9.27.2013 - 10.25.2013
Thursday, November 28, 2013	10.26.2013 - 11.26.2013
Saturday, December 28, 2013	11.27.2013 - 12.26.2013

Statement Date

2014

Qualification Period

Tuesday, January 28, 2014	12.27.2013 - 1.27.2014
Friday, February 28, 2014	1.28.2014 - 2.27.2014
Friday, March 28, 2014	2.28.2014 - 3.27.2014
Monday, April 28, 2014	3.28.2014 - 4.25.2014
Wednesday, May 28, 2014	4.26.2014 - 5.27.2014
Saturday, June 28, 2014	5.28.2014 - 6.26.2014
Monday, July 28, 2014	6.27.2014 - 7.25.2014
Thursday, August 28, 2014	7.26.2014 - 8.27.2014
Sunday, September 28, 2014	8.28.2014 - 9.25.2014
Tuesday, October 28, 2014	9.26.2014 - 10.27.2014
Friday, November 28, 2014	10.28.2014 - 11.26.2014
Sunday, December 28, 2014	11.27.2014 - 12.24.2014

Member FDIC



800.222.3230
AshevilleSavingsBank.com

CONSUMER COMMON FEATURES

The following fees may apply to your consumer account:

Online Banking

Basic Service	Free
Online Bill Pay	Free

Non-Sufficient Funds and Overdraft Fees

Nonsufficient Funds	\$35.00/item
Courtesy Overdraft*	\$35.00/item
Unavailable Funds	\$35.00/item

*Depending on the Overdraft Protection coverage on the account, an overdraft fee may be imposed for any of the following transactions: debit card, point-of-sale, drafts, in-person withdrawal, ATM withdrawal or any electronic means.

Automatic Overdraft Transfer Fee	\$5.00/item
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From one deposit account to another, excluding *ConnectStyle* Checking Accounts.

Bill Pay

Nonsufficient Funds	\$35.00/item
Stop Payment	\$35.00/item

Returned Items (Chargeback) Fees

Cashed or Deposited Items	\$10.00
Loan Payment	\$25.00

ATM/Debit Card Fees

ATM cash withdrawals, inquiries or transfers on all accounts made at ATM's we do not own or operate

This fee is in addition to any fees charged by the owner/operator of the ATM.

Visa Debit Card Replacement	\$10.00
ATM Card Replacement	\$5.00

Official Checks

<i>ConnectStyle</i> Customers	One check per day at no charge
Customers	\$5.00/check
Non-customers	\$15.00/check

Safe Deposit Box

One lost key	\$50.00
Two lost keys	\$150.00

Wire Services

Incoming from Domestic (U.S.) Bank	\$15.00
Incoming from International Bank	\$18.00
Outgoing to Domestic (U.S.) Bank	\$20.00
Outgoing to International Bank	\$50.00
Incoming Wire Service Notification and Confirmation Via Phone, Fax, or Mail	\$10.00

Other Fees

Account Closed within 6 months of opening	\$25.00
Account Research	\$25.00/hour (one hour minimum)
Account Balancing Assistance	\$25.00/hour
Account Activity Printout	\$5.00 each
Check Images - Front/Back/Larger	\$5.00 each/month If not included in product offering.
Check or Visa Sales Draft Copy	\$3.00 each
Check Printing Fee	Depends on style and quantity. Shipping & Handling may apply.
Collection of International Items	\$15.00
Counter Checks (five check minimum)	\$0.50 each
Coupon/Bond Redemption	\$35.00
Deposit Verification	\$10.00
Dormant Fee	\$50.00
Charged if your account becomes dormant. Checking, Savings, and Money Market Accounts are considered dormant after 36 months with no activity or contact with us. Certificate of Deposit Accounts are considered dormant 60 months after first renewal if there has been no activity or contact with us.	
Excess Transaction Fee*	\$10.00 per excess transaction
*Applies to Money Market and Savings Accounts. Consult your account terms and conditions for further information.	
Garnishment or Tax Levy	\$100.00
IRA/HSA Transfer fee	\$50.00
Statement Copy	\$5.00 each
Statement Copy to Additional Address	\$5.00 each
Stop Payment	\$35.00/item
Telephone Transfer	\$5.00

REV (01/14)



CourtesyStyle

CourtesyStyle is a non-contractual, value added courtesy service, offered by Asheville Savings Bank to checking account customers whose account(s) are maintained in good standing. Customers who benefit from the CourtesyStyle service will experience honored overdrafts up to a CourtesyStyle limit based on the type of account, account history and overall relationship.

What are the benefits of this service?

- Spared embarrassment of returned check(s) and other items presented against your checking account.
- Avoidance of a merchant's returned check or returned item fees which can be costly.
- Saved time! No more waiting in customer service lines or visiting the merchant to redeem returned checks.
- Continued customer service at locations that you regularly visit or shop.

What are the features of this service?

- CourtesyStyle provides coverage for Automated Clearing House (ACH) debit transactions, checks presented for payments or issued to a third party, internet bill payments, recurring Visa® Debit Card transactions, overdrafts created by in-person withdrawals in a banking center and all other transactions currently honored through the specified checking account.
- At the bank's discretion, transactions will be honored on an account up to the CourtesyStyle limit as dictated by the type of account, account history, and customer relationship. Account types include:
 - FreeStyle, FiftyFiveStyle, WorkStyle and SmartStyle with a CourtesyStyle Limit of \$300
 - ConnectStyle with a CourtesyStyle Limit of \$500
- The standard overdraft fee of \$35 per item will be charged for each item paid. The maximum charge for paid items per day is \$210.00.

Are one-time Visa® Debit Card purchases and Automated Teller Machine (ATM) withdrawals covered under CourtesyStyle?

It is the policy of Asheville Savings Bank to reject any one-time (non-recurring) Visa® Debit Card purchases or Automated Teller Machine (ATM) withdrawals when funds are not sufficient in your checking account to pay any such item without driving your account balance into the negative unless you have specifically opted-in to allow for this service on your account. Again, such transactions will not be subject to the \$35.00 per item CourtesyStyle fee and will not be paid into the negative on your account unless you have specifically opted-in for this service. You will not be able to opt-in for this service unless and until you have received and read the separate **Opt-In Disclosure Notice** and agreed to and accepted its terms and we have sent a confirmation to you. If you decide to opt-in for this service you will have the right to change your mind and opt-out of this service at any time thereafter. However, due to the manner in which these transactions clear through the payment systems, it is possible that in rare cases, such as the authorization system being off-line at the time of your transaction, that these items might post with the result of driving your account balance into the negative. If this occurs, and you have not Opted-In for this feature of CourtesyStyle, then no fee will be charged to your account for the transaction.

How does my CourtesyStyle limit work?

Certain overdraft items may be paid up to the limit that applies to the account. The CourtesyStyle limit is a "revolving" amount that is reduced by any NSF items that have been paid plus any applicable Overdraft/NSF fees. No interest is charged on the overdraft balance. Deposits will first be applied to the overdrawn balance. The account must be brought to a positive balance within 30 days, or upon demand, for the CourtesyStyle service to remain active.

How will I know when I've reached my CourtesyStyle limit?

Each time an item is paid by Asheville Savings Bank utilizing the CourtesyStyle service, account owner(s)/holder(s) or agent(s) will receive notification by mail. The mailed notice will show the check number(s) or description of the transaction(s), the amount of the transaction(s) and any applicable overdraft item charge(s). We may, in some instances, attempt to contact accountholders by phone, but are not obligated to do so. For this reason, it is important for us to have up-to-date customer records. Should you require a change to your contact information, please contact your local Banking Center for assistance.

Will I see my CourtesyStyle limit in my balance at ATMs and on Internet Banking?

The CourtesyStyle limit availability will **not** be included in your "Available or Current" account balance information. The amount you can withdraw without incurring an overdraft fee is the "Current" account balance reflected on the ATMs, Internet Banking and the Automated Account Information line minus any Automated Teller Machine (ATM) withdrawals, Visa® Debit Card purchases, Automated Clearing House (ACH) debit transactions, checks presented for payments or issued to a third party, internet bill payments and all other transactions currently honored through the checking account that may not have cleared or posted to the account.

For example, if the account's current balance on the ATM is \$220, and the CourtesyStyle limit is \$300, transactions may be authorized up to \$520. In this example, \$220 could be paid or withdrawn without incurring an overdraft fee. To access the account's CourtesyStyle limit, a request may be made for a withdrawal or transfer in excess of the current account balance. A \$35.00 overdraft fee* will be charged for each withdrawal or transfer authorized using the CourtesyStyle limit. Keep in mind that the current balance includes deposits which may not be available and are subject to unavailable funds fees. *Please see our funds availability disclosure for full details about the availability of deposited funds.*

Can I have CourtesyStyle and Overdraft Line of Credit on my checking account? Yes, you can have both or each independently. Overdraft Line of Credit is a revolving line of credit loan that is subject to credit approval. Interest is charged on the amount transferred to the checking account when using the pre-approved Overdraft Line of Credit credit limit and, in addition, a \$5.00 fee may also be charged for each automatic cash advance transfer. If you have Overdraft Line of Credit and CourtesyStyle, the Overdraft Line of Credit credit limit is used first to pay items. If a check is presented for payment or other transactions are presented against the account for payment for more than is currently available and the line of credit has been exhausted, the CourtesyStyle will be available as described herein. CourtesyStyle is a non-contractual, discretionary consumer credit product.

Do I have to sign up for the CourtesyStyle service?

No, CourtesyStyle is automatically activated on applicable checking accounts that have been opened for at least 60 days, and have been maintained in good standing. Good standing means, but is not limited to: Regular deposits are made to cover transactions, the account balance has not been overdrawn more than 30 consecutive days, there are no unsatisfied collections actions and there are no legal orders outstanding on the account. It is the account owner's responsibility to verify that CourtesyStyle has been activated on the account. Should assistance be required, please contact a Banking Center representative for assistance if the account has been open for at least 60 days. However, you do have to sign up (opt-in) for the feature of CourtesyStyle that includes the payment of one-time Visa® Debit Card and ATM Card purchases if you desire to have that feature applied to your account. That feature is more thoroughly described and explained in a separate disclosure document that must be read by you before you can opt-in.

Can I Opt-Out of CourtesyStyle?

Yes, CourtesyStyle is optional. If you are not interested in maintaining this service, please notify Asheville Savings Bank at your earliest convenience by visiting your local Banking Center or write us at PO Box 652, Asheville, NC 28802.

CourtesyStyle Statement of Policy

It is the policy of Asheville Savings Bank to comply with all federal laws and the laws of the State of North Carolina as well as safety and soundness standards. We encourage all customers to keep careful records and practice good account management. The best way to avoid overdraft and returned item fees is to manage the account so that it is not overdrawn. We encourage account holders to maintain proper and up-to-date account documentation of transactions and closely monitor their account by utilizing our on-line banking service, our 24-hour automated voice response line, and to carefully review their statement each month. If an account is overdrawn, it is the account holder's responsibility to make a deposit to avoid additional fees. It is important to note that transactions may not appear when the actual activity takes place and is subject to vendor account management and processing time. We also have other lower cost options available to consider such as overdraft lines of credit and automatic transfers from deposit accounts. To learn more, ask us about these plans.

A non-sufficient (negative) balance may result from:

- The payment of checks, ATM withdrawals, Visa® Debit Card purchases, electronic funds transfers, or other withdrawal or transfer requests;
- Payments authorized by you;
- The return of unpaid items deposited by you;
- The imposition of bank service charges and/or fees
- The assignment of garnishments or holds due to court ordered, legal actions

We are not obligated to pay any item presented for payment if an account does not contain sufficient funds. However, if the account has been open for 60 days and the account has been maintained in good standing, we may approve any reasonable overdrafts as a non-contractual courtesy**. In good standing is defined as, but not limited to:

- Regular deposits made sufficient to cover transactions
- The account balance has not been overdrawn more than 30 consecutive days
- There are no unsatisfied collections actions against the account holder(s)
- There are no legal orders outstanding on the account

Generally, we will not approve aggregate overdrafts for accounts in excess of \$300 for FreeStyle, SmartStyle and FiftyFiveStyle Checking accounts and \$500 for ConnectStyle Accounts. These limits include Non-sufficient Funds and or Overdraft (NSF/OD) charge(s). The fact that we may honor withdrawal requests that overdraw an account balance does not obligate us to do so later. We may refuse to pay an overdraft item at any time, even though the account may be in good standing. The decision to pay an overdraft item is discretionary. Account owners/holders/agents will be notified by mail of any non-sufficient funds items paid or returned. However, we have no obligation to notify account owners/holders/agents before we pay or return an item. Each account owner, holder or agent agrees to be jointly and severally (individually) liable for any account shortage resulting from charges, fees and overdrafts. The liability is due immediately and can be deducted directly from the account balance whenever sufficient funds are available. Account owners/holders/agents have no right to defer payment on this liability, and are liable regardless of how the item was presented or who benefited from the transaction(s).

Access:

CourtesyStyle provides coverage for overdrafts created by in-person withdrawals in a banking center, Automated Clearing House (ACH) debit transactions, Visa® Debit Card purchases, checks presented for payments or issued to a third party, internet bill payments and other select transactions currently honored through the specified checking account.

Limitations:

CourtesyStyle is a courtesy, non-contractual, value added service, offered by Asheville Savings Bank to checking account customers. As long as the account is maintained in good standing, Asheville Savings Bank will honor overdrafts up to the CourtesyStyle limit based on the type of personal checking account and the account history and customer relationship. We reserve the right to lower any CourtesyStyle limit or discontinue the service at any time and without prior notice. CourtesyStyle is not available on MoneyMarketStyle accounts or SavingsStyle accounts.

Fees:

A \$35.00 fee will be charged for each non-sufficient item whether paid or returned, as set forth in the account agreement provided at account opening. The daily limit for overdraft transaction fees is \$210.00.

* The daily limit for overdraft fees is six (6) item fees or \$210.00. If you use CourtesyStyle as many as six (6) times in a twelve month period we will contact you regarding your account usage as required by Federal regulation.

**CourtesyStyle is a non-contractual discretionary service that does not constitute an actual or implied agreement between the account owner/holder or agent and Asheville Savings Bank. CourtesyStyle is a discretionary courtesy that the bank may provide from time to time and may be revoked or suspended by the bank at any time without prior notice or reason or cause.

FACTS
WHAT DOES ASHEVILLE SAVINGS BANK DO WITH YOUR PERSONAL INFORMATION?
Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number
- Payment history
- Transaction or loss history
- Credit history
- Overdraft history
- Mortgage rates and payments

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Asheville Savings Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Asheville Savings Bank share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes - information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes - information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?

Call toll-free 800-222-3230 or go to www.asheillesavingsbank.com

What We Do	
How does Asheville Savings Bank protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We also maintain other physical, electronic and procedural safeguards to protect this information and we limit access to information to those employees for whom access is appropriate.</p>
How does Asheville Savings Bank collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ● Open an account ● Apply for a loan ● Make deposits or withdrawals from your account ● Give us your contact information ● Show your driver's license <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ● sharing for affiliates' everyday business purposes - information about your creditworthiness ● affiliates from using your information to market to you ● sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> ● <i>Our affiliates include:</i> <ul style="list-style-type: none"> ● <i>Financial companies such as: ASB Bancorp, Inc.; WENOCA, Inc.; and Appalachian Financial Services, Inc.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> ● <i>Asheville Savings Bank does not share with nonaffiliates so they can market to you.</i>
Joint Marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ● <i>Our joint marketing partners include credit card companies, insurance companies and securities and investment companies.</i>