

without granting him or her any ownership interest in your account. Otherwise, you will be the only person authorized to engage in transactions concerning the account.

2.3 Joint or Multiple Party Accounts. When an account is opened in two or more names, it is designated on the Membership Application as a joint account. If two or more persons open a joint or multiple party account with right of survivorship, then upon the death of one joint owner, the surviving owner(s) has the right to all of the funds in the account, subject to the Credit Union's right of setoff and security interest in the account. When an account is designated as a joint account on the Membership Application, any joint or multiple party account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account, requests for future services and any transaction from any other account owner(s). Each joint owner may make deposits into the account, withdraw any or all of the funds on deposit, and, if applicable, stop payment on any share draft drawn on the account without the consent of the other account owner(s) and the Credit Union shall have no duty in such event to notify any other account owner(s). Each joint owner guarantees the signatures of the other joint owner(s) and authorizes the other joint owner(s) to endorse instruments for deposit if they are payable to any of the joint owner(s). In accordance with Section 3.1 of this Agreement, the Credit Union has the right to endorse any share drafts or other orders for the payment of money made out to any of the joint owners. Once endorsed, the Credit Union may pay cash to any joint owner or deposit the money into the joint account. Notice provided by the Credit Union to one joint owner is deemed notice to all joint owners. Once a joint account is opened, one owner cannot remove another joint owner from the title of the account. A joint owner may complete a Termination Agreement to remove themselves from an account. If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a court order to act or require that all account owners agree in writing to any transaction concerning the account.

2.4 Joint or Multiple Party Account Owner Liability. If any item deposited in a joint or multiple party account is returned unpaid, the account is overdrawn or the Credit Union does not receive final payment on any transaction, each of the account owners is jointly and severally liable to the Credit Union for the returned item, overdraft, or unpaid amount and any charges in connection therewith, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. Each joint owner further authorizes the Credit Union to use funds in the joint account to pay any debts owed to the Credit Union by any or all joint owners. This right exists irrespective of which joint owner contributed the funds to the joint account.

2.5 Minors' Accounts. For any account established by a minor, the Credit Union reserves the right to require the minor account to be a joint or multiple party account with an owner who is at least eighteen years of age, who shall be primarily liable to the Credit Union for any returned item, overdraft, or unpaid charges. The Credit Union may make payments of funds directly to the minor without regard to his or her minority unless the Credit Union has received written notice from the minor owner's guardian to withhold payment from the minor and the Credit Union has had a reasonable opportunity to act on the notice. Unless a guardian is an account owner, the guardian shall not have any right to access the account. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or any account owner. The Credit Union shall not change the account status when the minor reaches age eighteen (18) unless

authorized in writing by all account owners in accordance with Section 3.24.

2.6 Accounts for Minors. If you open an account as custodian for a minor beneficiary who is less than twenty-one (21) years of age, your rights and duties are governed by the New Hampshire Uniform Transfers to Minors Act.

2.7 IRA Accounts. You are bound by the terms and conditions of the separate IRA agreement and disclosure given to you.

2.8 Business Accounts. We will require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive notice of a change from the governing body of the legal entity. For Sole Proprietorships, you certify that the trade name used is an unincorporated business owned entirely by you. If any other persons become interested in said business as co-partners of the undersigned or if the business should become incorporated, you agree to notify us promptly.

2.9 Power of Attorney. We may, in our sole discretion (unless we are required by law to recognize a statutory form of power of attorney), recognize the authority of a person to whom you have given a power of attorney to enter into transactions relating to your Account, until an unless we receive written notice or we have actual notice of the revocation of such power of attorney. However, you must show us an original copy or certified copy of the power of attorney, properly notarized, and any other documentation we may ask for from time to time. The power of attorney and all other documents must be in a form satisfactory to the Credit Union. We will not be liable for damages or penalty by reason of any payment made to a person holding a power of attorney.

Part 3

General Rules Governing Accounts

3.1 Deposit of Items. Deposits to your account may be made in person at any of our offices during business hours, by mail or by any other method the Credit Union makes available, such as through authorized automatic teller machines. The Credit Union is not responsible for deposits made by mail or through a depository not staffed by Credit Union personnel until the Credit Union actually receives such items. If the Credit Union receives an item on a weekend, holiday, or after the Credit Union's cutoff hour on a business day, the item is deemed to have been received on the Credit Union's next business day. The Credit Union's business days and cutoff hours are posted in the Credit Union's offices and are subject to change at the Credit Union's discretion. If you fail to endorse an item submitted for deposit, the Credit Union may, but is not obligated to, supply the missing endorsement. If you deposit a check, draft, bond or other non-cash item, the Credit Union has the right to clear it before making the money available to you. Disbursement of funds are subject to the Credit Union's Funds Availability Policy. If there are special fees for collecting any deposited items, you agree to pay them. If the Credit Union feels there are sufficient reasons, it may refuse, limit or return any deposit.

3.2 Crediting of Deposits. Unless otherwise stated in the Credit Union's Funds Availability Policy, deposits received at our offices on business days before the deposit cutoff time will be credited to your account as of the day of the deposit. Deposits made after the deposit cutoff time, deposits made at automated teller machines, and deposits made on Saturdays, Sundays, and Credit Union holidays will be credited to your account on the next business day. Deposits received at unstaffed teller locations such as night depositories will be credited on the day funds are removed and processed by the Credit Union. Failure to

provide adequate account information may delay crediting funds to your account.

3.3 Direct Deposits. The Credit Union may offer direct deposit options allowing you to make preauthorized deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts at the Credit Union. You must authorize any direct deposits to your account by a separate authorization form. If applicable, you must notify the Credit Union at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. In the event of bankruptcy, the Credit Union will provide access to post-petition deposits. If the Credit Union is required to reimburse the United States Government for any benefit payment directly deposited into your account for any reason, you agree that the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

3.4 Collection of Items. All items deposited in your account are received by the Credit Union as collection agent for you. The Credit Union assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for the insolvency, neglect, misconduct, mistake or default of any of its correspondents or for the loss or destruction of an item in transit. Special instructions for handling an item will be effective only if made in writing, either in person or through the mail, and given to the Credit Union along with the item in question. Any instructions given to the Credit Union through any automated teller machine in conjunction with one of the various networks to which the Credit Union belongs will not be deemed to be effective and the Credit Union will not be liable for failing to follow such instructions.

3.5 Final Payment. All items or Automated Clearing House (ACH) transfers credited to your account are provisional and subject to final payment and receipt of proceeds by the Credit Union. If the cashed or deposited item is not honored for any reason against the drawer's account, the Credit Union will charge your account for the unpaid item. The unpaid item will be mailed to you at your last known address as shown on the Credit Union's records. The Credit Union is authorized to pursue collection of previously dishonored items, and in so doing it may permit the payor institution to hold an item beyond the midnight deadline. In accordance with the Credit Union's Fee Schedule, a service fee may be assessed for this activity.

3.6 Responsibility for the Back of Drafts. You agree that the Credit Union will not be liable to you because an item you deposit in your account is returned after the time set by applicable law if the delay in returning the item is caused by markings on the item in the space reserved for the depository bank's endorsement that were made by you or a prior endorser. Similarly, you will be liable to the Credit Union for any loss or expense, including, without limitation, reasonable attorney fees, it incurs because it is unable to properly return an item drawn on your account within the time set by applicable law where the delay in properly returning the item is caused by markings on the item in the space reserved for the depository institution's endorsement that existed at the time you issued the item.

3.7 Withdrawals. Funds may be withdrawn from your account by using share draft forms approved by the Credit Union, or by any other means permitted by the Credit Union (i.e., automated teller machines, in person, by mail, automatic transfer or telephone, as applicable). The Credit Union may refuse any share draft form or other item drawn against your account or used to withdraw funds from your account if it is not on an approved form. Additionally, the Credit Union reserves the right to refuse any share

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draft or other item drawn against your account or used to withdraw funds from your account if made in a manner not specifically authorized by the Credit Union, if made more frequently or in a greater number than specifically permitted for your account, or if made in an amount less than the minimum withdrawal or transfer specifically permitted for your account. The Credit Union may refuse to pay any draft or honor any withdrawal request if the amount requested is not yet available for withdrawal. The Credit Union may pay drafts or other items drawn on your account in any order determined by the Credit Union, even if paying a particular draft or item results in an insufficient balance in your account to pay one or more other items that otherwise could have been paid out of your account.

3.8 Account Access. In order to access your account, the Credit Union must have an authorized signature of yours on a Membership Application. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any draft that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third person, you authorize the Credit Union to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

3.9 ACH & Wire Transfers. You may initiate or receive credits or debits to your account via wire transfer or ACH transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead the transfer will be shown on your periodic statement. The Credit Union may provisionally credit your account for an ACH transfer before it receives final settlement for the transfer. You agree that if the Credit Union does not receive final settlement for an ACH transfer, the Credit Union may reverse the provisional credit to your account or you will refund the amount to the Credit Union. The cut-off time for out-going wires is 12:45 P.M. Monday through Friday. The cut-off time for incoming wires is 4:30 P.M. Monday through Friday. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or other identifying number. The Credit Union may rely on the account or other identifying number as the proper identification, even if it identifies a different party or institution.

3.10 Nonsufficient Funds. If you write a draft for more money than you have in your account, you will be deemed to be overdrawn and the Credit Union may refuse to honor the draft and return it as unpaid for reason of nonsufficient funds (NSF). The Credit Union will assess a service fee, in accordance with its Fee Schedule, for each draft returned or overdrawn. If you overdraw your account 3 times, the Credit Union reserves the right to close it. If the Credit Union chooses to close your account, it will mail to you, at your address on record, a notice and a check for the balance of money, if any, in the account. In case of a default, we may report information about your deposit account to credit bureaus. This may be reflected in your credit report.

3.11 Overdraft Protection Plan. If the Credit Union has entered into an overdraft protection agreement with you, the Credit Union will, in accordance with such agreement, honor drafts drawn on insufficient funds in your account by transferring the necessary funds from another account (Silver Linings share account cannot be used for overdraft protection)

held at the Credit Union or a loan account under the same member number. The Credit Union may assess a fee for overdraft transfers in accordance with its Fee Schedule. Transfers from a loan account will be governed by the applicable loan agreement. Generally share transfers will be in \$100.00 increments. However, transfers of a lesser amount may occur to clear drafts.

3.12 Printed Draft Purchases. The Credit Union reserves the right to require that all purchases of printed drafts be done through authorized draft printers. If you should use drafts printed by someone other than those authorized by the Credit Union, the Credit Union may reject said drafts and charge a fee for each draft rejected in accordance with its Fee Schedule.

3.13 Automated Teller Machines. Transactions may be made to and from your account by using an automated teller machine in conjunction with one of the various networks to which the Credit Union belongs. If you decide to apply for and receive an automated teller machine card, you are bound by the terms of the separate agreement and disclosure statement for use of this card.

3.14 Cash Cards. Transactions may be made to and from your account by using a Cash Card. If you decide to apply for and receive a Cash Card, you are bound by the terms of the separate agreement and disclosure statement for use of this card.

3.15 Stop Payment Orders. If you do not want the Credit Union to pay a draft you have written, you can order it to stop payment. You can notify the Credit Union by mail, by phone or in person. This order must be received by the Credit Union prior to the payment or certification of the draft. An oral stop payment order lapses after fourteen (14) calendar days unless it is confirmed in writing within that period. A written stop payment order is effective for six (6) months. A written stop payment order will be valid upon receipt by the Credit Union. The Credit Union has no obligation to notify you upon the expiration of a stop payment order. In order to place a valid stop payment order, you must inform the Credit Union of the exact amount of the item, the number and date of the draft, and the number of your account. The Credit Union is not responsible for stop payments that cannot be completed due to incorrect information or failure to give any other reasonable information regarding the account. The Credit Union is entitled to a reasonable period of time after receiving a stop payment order to notify its employees. If the Credit Union pays an item contrary to a valid stop payment order, it must recredit your account for the amount of the item paid. However, before the Credit Union is required to recredit your account, it may request that you sign a statement setting forth the facts showing a bona fide dispute on the underlying obligation for which the draft was given. If the Credit Union recredits your account after paying a draft over a valid and timely stop payment order, you agree to transfer to the Credit Union all of your rights against the payee or other holder of the draft and to assist the Credit Union in any legal action taken against that person in the future. Prior to recrediting the account, the Credit Union can also require a written agreement from you to cooperate with the Credit Union in any action against the payee or other holder to establish the Credit Union's subrogation rights. If this is a joint account, the Credit Union will accept a stop payment order from any owner regardless of who wrote the draft. The Credit Union may assess a reasonable fee for a stop payment order in accordance with its Fee Schedule.

3.16 Specialized Checks. Stop payment orders on certified checks, cashier's checks, teller's checks, or money orders are not generally permitted. A

stop payment order on these instruments can only be initiated in the circumstance where the instrument has been lost, stolen or destroyed while in your possession. If the instrument is payable to a third party, the Credit Union shall, prior to placing a stop payment order against the instrument, require a written statement signed by you that the instrument had been mailed, or otherwise delivered, to the payee. The Credit Union shall also require a written statement signed by the payee that the instrument has not been received. If the instrument has been delivered to the payee, the Credit Union shall, prior to placing a stop payment order, require a written statement from the payee describing the loss, theft or destruction of the instrument.

3.17 Stale Drafts. The Credit Union has no obligation to honor a draft, other than one which has been certified, which is presented more than six months after its date, but the Credit Union may charge your account for a payment made thereafter in good faith.

3.18 Postdated Drafts. You agree not to date a draft later than the date that you write it. If you do write a postdated draft and it is presented for payment prior to its written date, the Credit Union will not be responsible for paying it prior to the written date and may charge your account for the amount of the draft.

3.19 Automated Process of Items. You recognize that the Credit Union has adopted automated collection and payment procedures so that it can process the greatest volume of items at the lowest possible cost to all members. These automated procedures rely primarily on information encoded onto each item in magnetic ink. In recognition of this fact, you agree that in paying or taking an item for collection, the Credit Union may disregard all information on the item other than the drawer's signature, the identity of the drawee institution, the amount of the item, and any other information encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with other information on the item. You agree to reimburse the Credit Union for any loss or expense it incurs because you issue or deposit an item containing such extra information.

3.20 Transfer Limitations. For share savings accounts, you may make up to six (6) preauthorized, automatic, telephonic, audio response or personal computer transfers to another account of yours or to a third party during any calendar month. Of these six, you may make no more than three (3) transfers to a third party by check or debit card. A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from the member's account upon oral or written orders including orders received through the automated clearing house (ACH). There is no limit on the number of transactions you may make in the following manner: (i) transfers to any loan account with the Credit Union; or (ii) transfers to another Credit Union account or withdrawals when such transfer or withdrawals are initiated in person, by mail, or at an ATM. If a transfer request would exceed the transfer limitations set forth above in any calendar month, the Credit Union may refuse or reverse the transfer, and your account will be subject to suspension or closure by the Credit Union, and the Credit Union may impose a fee in accordance with its Fee Schedule.

3.21 Periodic Statements. If the Credit Union provides a periodic statement for your account, it will mail to you at your last known home or email address on record, a statement of your account covering all transactions made during the statement cycle. Upon a filing of bankruptcy, periodic statement mailing will cease. All canceled drafts will be stored on microfilm at the Credit Union.

A nominal fee may be charged for copies. You agree to exercise reasonable care and promptness in examining such statement to discover any error or irregularity including, but not limited to, any unauthorized signature and alteration, and you further agree to notify the Credit Union promptly after any such discovery. Otherwise, the statement, as printed and received, will be deemed to be correct. Moreover, because you are in the best position to discover an unauthorized signature, an unauthorized endorsement, or a material alteration, you agree that the Credit Union will not be liable for paying such items if (1) you did not exercise reasonable care in examining the statement or you have not reported the forgeries or alterations to the Credit Union within thirty (30) days of the mailing date of the earliest statement containing these items, or such period as may otherwise be required by law or government regulation.

3.22 Right of Setoff. If you owe the Credit Union money as a borrower, guarantor, endorser or otherwise, and it becomes due, the Credit Union, unless prohibited by law, has the right under this Agreement, in which you grant the Credit Union a security interest in your account, to use the money in your account to pay the debt. The Credit Union may use this money to pay the debt even if withdrawal results in an interest penalty or dishonor of drafts. In the case of a joint account, each joint owner agrees that the Credit Union may use the money in the joint account to satisfy any one of the joint owner's obligations. Similarly, each joint owner further agrees that the Credit Union may use the money in his or her individual account(s), if any, to satisfy obligations in the joint account. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. Before exercising its security interest, the Credit Union will give you such notice as is required by law. The security interest mentioned above is consensual.

3.23 Death or Incompetence. Neither a member's death nor a legal adjudication of incompetence revokes the Credit Union's authority to accept, pay, or collect items until the Credit Union knows of the fact of death or of an adjudication of incompetence and has a reasonable opportunity to act on it. Even with such knowledge, however, the Credit Union may, for ten (10) days after the date of death, pay or certify drafts drawn on or before the date of death unless ordered to stop payment by a person claiming an interest in the account. This Agreement will be binding upon any heirs or legal representative of any account owner.

3.24 Transfer of Ownership. Accounts are not transferable or assignable by you or any other joint owner(s).

3.25 Dormant Accounts. The Credit Union will deem your account to be dormant if you do not make any deposits to or withdrawals from the account for a period of one year. A dormant account remains subject to service fees. Under certain circumstances as required by law, funds in dormant accounts may be turned over to the appropriate governmental authority as abandoned property. Once funds have been remitted, the Credit Union has no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the Abandoned Property Division of the applicable governmental authority.

3.26 Taxpayer Identification Numbers and Backup Withholding. If your account is or becomes subject to backup withholding the Credit Union is required by law to withhold and pay to the Internal Revenue Service a required percentage of payments and dividends, interest and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number may result in backup withholding. If you fail to provide your taxpayer identification number, the Credit Union may suspend

the opening of your account or you may request a non-dividend or interest-bearing account until a taxpayer identification number is provided.

3.27 Fees and Charges. Please refer to the Schedule of Fees to determine the fees which apply to your account.

3.28 Legal Proceedings. If your account becomes involved in legal proceedings, your use of it may be restricted. You agree to be liable to the Credit Union for any loss, costs, or expenses, including reasonable attorney fees, to the extent permitted by law, that the Credit Union incurs as a result of any dispute involving your account, and you further authorize the Credit Union to deduct any such loss, costs, or expenses from your account without prior notice to you. This obligation includes disputes between you and the Credit Union involving the account and situations where the Credit Union becomes involved in disputes between you and an authorized signer, another joint owner, or a third party claiming an interest in the account. It also includes situations where you, an authorized signer, another joint owner, or a third party take action with respect to your account that causes the Credit Union, in good faith, to seek the advice of counsel, whether or not the Credit Union actually becomes involved in a dispute.

3.29 Indemnification. If the Credit Union believes in its sole discretion that any instruction which it agrees to accept might expose it to claims, suits, losses, expenses, liabilities or damages, whether directly or indirectly, it may require you to sign an agreement indemnifying it from any such claims, suits, losses, expenses, liabilities or damages which may arise prior to following your instructions. You further agree that if you refuse to sign such an indemnification agreement, the Credit Union is not required to follow such instructions.

3.30 Disclaimer of Liability. The Credit Union is not responsible for, or subject to, any liabilities to its members other than those imposed upon it by the Uniform Commercial Code for its own lack of good faith or its failure to exercise ordinary care. The obligation to exercise ordinary care in the handling of items of deposits and of withdrawal shall be measured by the standard of the reasonableness of procedures established for the transaction involved and mere clerical error, inadvertence or oversight without malice, or an honest mistake of judgment shall not be or constitute, as to any transaction, a failure to perform such obligations or a failure to exercise ordinary care and in no case shall be deemed wrongful.

3.31 Termination of Membership. You may terminate your membership at the Credit Union after giving notice of your intent to withdraw from membership. The Credit Union is not liable for payment on any share draft, withdrawal, or other item once your membership is terminated. You may be expelled from membership for any reason allowed by applicable law.

3.32 Denial of Service. No credit union services will be provided to any member who has caused a loss to the credit union.

3.33 Disclosure of Information. Information about your account is private. The Credit Union will not disclose information about your account or any transaction between you and the Credit Union to third parties except upon instructions by you or in strict accordance with the law.

3.34 Paying of Overdrafts. The Credit Union, at its sole discretion, may honor items presented for payment or authorization against your account even if there are insufficient funds in your account. Items include: ACH, debits, drafts, and transactions conducted at the branches, by automated phone system or online banking.

They do not include ATM or One Time POS/Signature Debit transactions. However, if you OPT IN for Courtesy Pay coverage of One Time Debit transactions, the Credit Union, at its sole discretion, may honor these transactions, even if there are insufficient funds in your account. When there are insufficient funds in your account and we pay the item, there is a fee, which is indicated in your fee schedule. The Credit Union will notify you in writing each time an item is paid. The notice will contain the amount of the item and for any fees assessed against your account. You agree to reimburse the Credit Union for the amount of the item and for any fees assessed against your account. Failure to make timely payments on your outstanding negative balance will require that the Credit Union cancel this service. If after 45 days your account is still negative then the Credit Union will charge off your negative balance and report your account to a consumer reporting agency. The Credit Union may also attempt to collect the charged off amount through the legal system. Fees for this service are published in the Credit Union's Fee Schedule. This service is offered in addition to the Overdraft Protection Plan offered in section 3.11. The Credit Union will always attempt to clear items through the Overdraft Protection Plan before items are cleared under this service. Where possible, the credit union will attempt to clear items with smaller value first followed by items with larger value next, however, they may be presented throughout the day. The Credit Union may also cancel this service without prior notice. You can also cancel this service at any time by OPTing Out. In that case, we will return the items for insufficient funds and assess the NSF fee as disclosed in the fee schedule. To make such a request, please contact us at (603) 436-1847, via Online Banking, in person at a branch office or write us at PO Box 1240, Portsmouth, NH 03802-1240 and inform us that you do not want any items paid without sufficient funds.

3.35 Illegal Transactions. You agree that you will not cause or allow your NECU account (including using checks, ACH, Electronic Funds Transfer, VISA Credit or Check/Debit cards) to be used in any manner or for any transaction that we believe poses an undue risk of illegality, including unlawful gambling. We may refuse to authorize any such use or transaction. We reserve the right to terminate your membership if we find your account is being used for illegal transactions.

3.36 Prohibition Against Unlawful Internet Gambling. Federal law, the Unlawful Internet Gambling Enforcement Act of 2006, and implementing regulations prohibit commercial customers from receiving deposits or other credits of any kind relating to their operation of an illegal Internet gambling business. Northeast Credit Union is required to enforce that prohibition.

Part 4

Conclusion

Northeast Credit Union appreciates your credit union business. Our purpose is to guarantee a high level of personal and professional service on your account. For further information regarding your account or other available services at the Credit Union, please contact the branch office nearest you or call our Contact Center. Thank you.