

BUSINESS MEMBERSHIP AGREEMENT

TERMS AND CONDITIONS OF YOUR ACCOUNT

This Agreement is the contract which covers your and our rights and responsibilities concerning Membership and Accounts offered to you. It is your responsibility to retain a copy of this Agreement. In this Agreement, the words "you" and "yours" mean those who complete the Membership Application and anyone else with authority to deposit, withdraw or exercise control over the funds in the account. The words "we," "us," and "our" mean New England Federal Credit Union ("Credit Union"). The word "account" means any one or more share accounts you have with the Credit Union.

There is nothing in this document that is intended to vary the Credit Union's duty to act in good faith and with ordinary care when required by law.

The classification and form of ownership of your accounts are designated on your Business Membership Application. By signing the Business Membership Application that is a part of the Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, including the Business Pricing Schedule accompanying this Agreement, any account receipt, the Credit Union's bylaws and policies, and any amendments which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement, as amended from time to time.

We reserve the right to refuse any account for cause. In addition, use of our name or logo in connection with any account, including for marketing and/or advertising, is prohibited without the prior written consent of us, at our sole discretion.

IMPORTANT ACCOUNT OPENING INFORMATION - To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, we will ask for your name, address, date of birth, and taxpayer identification number that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

MEMBERSHIP ELIGIBILITY - To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union's field of membership and must satisfy the membership qualifications as required by the Credit Union's Bylaws. Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. Pursuant to credit union bylaws the Board of Directors has set the par value of shares at \$5.00. Membership will be subject to termination if your share value falls below the par value of one share and does not increase within thirty days. You may obtain a copy of the bylaws on request. You authorize us to check financial information data, and employment history about you by any means allowed by law, including, but not limited to, obtaining a credit report or credit score from any consumer reporting agency to verify your eligibility for any accounts and services we offer or you request, including for the purposes of account review, ongoing evaluation of depository services, including discretionary overdraft services, granting of credit, and/or collections.

At our discretion, after due consideration of any unacceptable credit record or history of writing "not sufficient funds" checks, members may not be eligible to open or maintain an account or services.

OWNERSHIP OF ACCOUNT - This Agreement applies to the types of businesses or organizations specified on the Business Membership Application. We reserve the right to refuse some forms of ownership on any or all of our accounts.

We may 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 written notice of a change from the governing body of the legal entity.

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 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 person 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 benefitted from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees.

DEPOSIT REQUIREMENTS

Funds may be deposited to any account by any person in any manner approved by the Credit Union in accordance with the requirements set forth on the Business Pricing Schedule. All accounts are non-assignable and nonnegotiable to third parties. Certificate Accounts are governed by the terms of this Agreement and the terms and disclosures on your Term Share Certificate and Account Disclosure for each account, which is incorporated herein by this reference. You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check warranties and indemnity. If you do so, you agree to indemnify the Credit Union for all losses the Credit Union incurs in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.

Endorsements

You are responsible for properly endorsing all checks you deposit. You will be liable for losses resulting from improper endorsements. The Credit Union may require a third-party endorser to guarantee an endorsement or to sign in the presence of the Credit Union.

Collection of Items

The Credit Union shall not be responsible for deposits made by mail or at an unstaffed facility until the Credit Union actually receives them. In handling items for deposit or collection, the Credit Union only acts as your agent and assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for default or negligence of any correspondent bank or for loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union may attempt to collect previously returned items without giving the member notice, and it may permit the payor bank to hold an item beyond the midnight deadline. The Credit Union reserves the right to send any item for collection.

Final Payment

All items or Automated Clearing House ("ACH") transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of those items or ACH transfers and impose a return charge on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect any item, the Credit Union may charge such fee to your account. The Credit Union reserves the right to refuse or to return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use. Unless prohibited by law, the Credit Union can charge the amount of any item which was initially paid by the payor bank and which is later returned due to an allegedly forged, unauthorized or missing endorsement, claim or alteration, encoding error or other problem which in the Credit Union's judgment justifies reversal of credit.

Direct Deposits

If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you may 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.

Crediting of Deposits

Deposits made on Saturdays, Sundays, and Credit Union holidays will be credited to your account on the next business day. Ask for our current deposit cutoff time for deposits made in person and lobby drop boxes. Deposits received at unstaffed facilities, such as night depositories, will be credited on the day funds are removed and processed by the Credit Union. If you deliver a deposit to us and you will not be present when the deposit is counted, we ask you to provide us with an itemized list of the deposit (deposit slip). To process the deposit, we will verify and record the deposit under dual control, and credit the deposit to your account. If there are any discrepancies between the amounts shown on the deposit slip and the amount we determine to be the actual deposit, we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip.

Items drawn from an institution located outside the United States, including some items drawn in Canada, are handled on a collection basis only. Amounts will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

PAYMENT ORDER OF ITEMS - Law permits us to pay items drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write or that are received electronically. When processing items drawn on your account, we attempt to pay them in the order that they are received. Debit card transactions, including but not limited to signature based, Point-of-Sale (POS) and Automated Teller Machine (ATM) transactions are generally processed online as items are presented throughout the day. The order in which items are paid is important if your available account balance is

insufficient to pay all of the items that are presented. There is no practice that is favorable in every instance. If the smallest items are paid first, you may have fewer nonsufficient fund (NSF) or overdraft fees, but the largest, and perhaps more important items might not be paid. By paying items in the order that we receive them, we think our practice attains a reasonable balance between minimizing additional cost to you and paying what may be more important items. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or paying items without sufficient funds and incurring the resulting fees. We may incur situations that require us to change processing order and reserve the option of changing the payment order at any time. The amounts of the overdraft and NSF fees are disclosed in a separate Business Pricing Schedule.

ACCOUNT ACCESS

Authorized Signature

In order to access any account, the Credit Union must have authorized signature(s) on a Business Membership Application or any other form of documentation acceptable to the Credit Union in its sole discretion. The Credit Union is authorized to recognize a 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 and we have accepted the request, the Credit Union may honor any check that appears to bear your facsimile signature even if it was made by an unauthorized person. You warrant that such facsimile signature on any item or authorization is genuine and authorized. You remain solely responsible for the proper use of any facsimile signature device. The Credit Union shall not be liable for paying any item or following an authorization bearing an unauthorized facsimile signature or what may appear to be an unauthorized signature, unless you have provided a proper stop payment order in accordance with this Agreement. If you give your account number to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

When you allow someone to access your account(s), by naming a Primary Administrator for example, and not in any way limiting the means of authorization, you are liable for all such transactions, even if that person exceeds the authority that you gave – EXCEPT for transactions occurring after you tell us that you have cancelled that person's authority. Tell us AT ONCE if you believe that an account transaction has been made without your permission. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account.

Access Options

You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., check, automated teller machines (ATMs), debit card, in person, by mail, automatic transfer, online and mobile banking, audio response, or telephone). If the Credit Union accepts any check that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the check. The Credit Union may return as unpaid any check that is not drawn in the form provided by the Credit Union. We may refuse to pay checks presented over the counter if we have concern over the authority or identity of the maker or presenter, if we are suspicious that the item is not valid, or if our computer system is unavailable. We are not liable for the wrongful dishonor of items we refuse to pay.

ACH & Wire Transfers

If offered, you may initiate or receive credits or debits to your account via wire transfer or ACH ("Automated Clearing House") 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 a transfer, it may reverse the provisional credit to your account, or you will refund the amount to the Credit Union. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number you give as the proper identification number, even if it identifies a different party or institution. Wire transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. ACH transactions are governed by the rules of the National Automated Clearing House Association.

Credit Union Examination

The Credit Union may disregard information on any check other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

Electronic Check Transactions

Electronic Checks. If you authorize a merchant to electronically debit your checking account using the routing, account and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such authorization is an electronic check conversion. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.

Electronic Re-presented Checks. If you write a check that we return unpaid because of insufficient or uncollected funds, the payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction ("Electronic Re-presented Check") to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. If you want to reverse an electronic re-presented check, you must give us a written Affidavit of Unauthorized Debit within 60 days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was unauthorized. If we receive a proper notice or Affidavit from you within the 60-day period, we will re-credit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented check, you must follow the procedures contained in this Agreement for stopping payment of checks. If you ask us to request the depositor's bank to send us the original paper check or a copy of the paper check, and we provide it to you, you agree that you will not seek to have your account re-credited due to a prior stop payment order or if the item is otherwise ineligible for collection.

Remotely Created Checks- Like any standard check or draft, a remotely created check (sometimes called a preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

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.

BUSINESS DEBIT CARDS (Card)

Business Card Purpose - You and any Cardholder(s) agree that these Cards are for use by business owners and employees. The Card can be used for business purpose transactions only. The Card may not be used for personal purposes. You acknowledge and understand that the Card shall not be treated as a consumer card under the provisions of state and federal law. We assume all transactions are for business purposes. We do not monitor transactions to determine their purpose.

Card Use and Security Procedures - The Card allows Cardholders to directly access your accounts. We will issue Cards and PINs to you at your request. Only authorized account signers may be issued Cards. Each Card will identify your business as well as the Cardholder. The Card(s) and PINs may not be shared with, or used by, anyone other than the authorized signer named on the Card.

You agree to the following security procedures. Each Cardholder must sign their Card before it is used. You agree to require both a Card and a PIN or signature to be used together to purchase goods, pay for services or obtain cash at designated ATMs. Once a Card has been issued it cannot be transferred to another person. You agree to immediately notify us when you terminate a Cardholder's rights. You agree to examine your receipts and periodic statements in a timely manner. You agree that the dollar limits assigned to each Cardholder will also act as a security procedure. In addition, you agree to have all transactions monitored for suspicious or prohibited transactions, which may result in denial.

Termination - The Card(s) remain the property of the Credit Union. We may cancel Card privileges at any time, without telling you in advance.

The Card(s) will remain open and in effect until a principal on the account notifies NEFCU that it is terminating use of the Card(s) OR that any of the authorized signers is no longer authorized to utilize the Card(s). Upon receipt of such notice, the Card(s) will be shut down. Until the Card(s) are shut down, all transactions will be considered authorized, valid and binding. The Card(s) will also be shut down in the event that the business and/or authorized signers no longer qualify for membership to the Credit Union.

Limits - You will be able to access up to 5 share and 5 share draft accounts per card. There are maximum limits on the amount of total purchases you may make using your card in any calendar day. The maximum amount of these limits is \$5,000 or the available balance in your account, whichever is less.

Daily limits on ATM/Purchase transactions - Debit Card

You card will be subject to following limits on a daily basis:

- ATM withdrawal transactions: up to \$500/day*
- Purchases: up to \$5,000/day*

*We reserve the right to lower daily limits at our discretion.

There is a fee for transactions at ATMs we do not own or operate. Refer to the Business Pricing Schedule for information on fees.

Foreign Currency Conversions. When you use your Visa CheckMate™ Debit/ATM Card at a merchant that processes in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date, plus 1%, in each instance. The currency conversion fee will be passed on to the member. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

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.

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

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, or swiping the card through a point-of-sale terminal.

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

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

Visa Account Updater (VAU)

MERCHANTS that participate in the Visa Account Updater (VAU) program will receive updated cardholder information for recurring Visa check card and/or credit card transactions. Information such as your expiration date, card number (if the original card was lost/stolen or transferred), and closed card notifications are updated daily and communicated directly to **participating merchants** with whom you have recurring payments.

This service applies both to recurring Visa check card and Visa credit card payments. As a result, you will no longer have to contact the merchant to update your card information which will help prevent disruption of your recurring payments. You may opt out of this feature at any time by contacting your local branch or the Contact Center.

UNAUTHORIZED TRANSACTIONS ON BUSINESS DEBIT CARDS

Additional Risk Associated with Use of Cards - You will not have the benefit of any consumer law limiting liability with respect to the unauthorized use of your Card. This means your liability with respect to the unauthorized use of your Card could be greater than the liability in a consumer debit transaction. You accept and agree to undertake the additional risk and greater measure of liability associated with the use of the Card.

Your Liability for Unauthorized Transfers - You are liable if your Card and/or PIN is used by someone other than an authorized Cardholder. You are liable for all Card transactions whether or not such transactions were authorized by you, if we can prove that we processed the transaction in good faith and in compliance with a commercially reasonable security procedure.

Tell us AT ONCE if you believe your Card and/or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You agree to notify us immediately and to promptly confirm such notice in writing.

The business and authorized signers shall be jointly and severally liable for all use of the Card(s). The Card(s) and/or PINs shall not be shared with, or used by, anyone other than the authorized signer named on the card.

Additional Limit on Liability for Visa Signature Transactions - For Visa signature transactions processed on the Visa network only, you will not be liable for any transactions using your lost or stolen Card, unless the transactions are done by authorized signers on your account. You must report the unauthorized transfer within 60 days of the mailing date of the first statement showing the unauthorized transaction. We will determine whether an error occurred within 5 business days after we hear from you and will correct any error promptly. If we need more time, however, we will credit your account within 5 business days for the amount you think is in error, so that you will have the use of money during the time it takes us to complete our investigation. We will tell you the results within 3 business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

Error Resolution - You agree to examine your receipts and periodic statements using ordinary care and to report any errors or problems to us within a reasonable time. You agree that the time to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of one year from when the statement containing the error or problem was first mailed or made available to you. If you do not report within one year, we will be entitled to treat such information as correct and you will be precluded from asserting otherwise. You further agree that if you fail to report to us within 14 days from when the statement was first mailed or made available to you that we will not be required to pay dividends on any refund to which you may be entitled. We will only recredit your account for errors or problems as required by law. For transactions not processed by Visa, we will investigate the matter and notify you of the results within a reasonable amount of time. The exact amount of time will depend on the specific circumstances of the error or problem. You may ask for copies of the documents that we used in our investigation.

Contact the Credit Union - Call or write us immediately (24 hours a day, 7 days a week) to report errors and lost or stolen Cards.

New England Federal Credit Union

PO Box 527

Williston, Vermont 05495

800-400-8790

ACCOUNT RATES AND FEES

The Credit Union's payment of dividends on any account is subject to the account rates and fees, earnings, payment and balance requirements as set forth on the Business Pricing Schedule and our rate schedule. You agree the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current Business Pricing Schedule has been provided to you separately. You agree the Credit Union may change the Pricing Schedule from time to time and you will be notified of such changes.

TRANSACTION LIMITATIONS

Withdrawal Restrictions

The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft coverage plan. Checks or other transfer or payment orders which are drawn against insufficient available funds may be subject to a service charge, set forth in the Business Pricing Schedule. If there are insufficient available funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient available funds in any order at the Credit Union's discretion. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item.

The Credit Union may also refuse to allow a withdrawal in other cases; for example: any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checking accounts) of up to 60 days, as required by law, before such withdrawal.

UNDERSTANDING YOUR ACCOUNT BALANCES

Your account has two types of balances: the "actual" balance and the "available" balance. We use your available balance when determining whether a transaction will cause your account to overdraw. Your available balance represents your actual balance less any holds on your account, such as debit card transactions that you have made that are pending final settlement or holds for checks you have deposited. You can review both balances when you review your account online, at an ATM, by phone or at a branch. In this Agreement, the phrases "available funds," "sufficient available funds," and "insufficient available funds" and similar language refer to your available balance.

NONSUFFICIENT FUNDS (NSF) AND OVERDRAFTS (OD) - If at any time, the available funds in your account are not sufficient to cover items (check, ACH, debit card, website transaction, audio response transaction, our fees or charges, or other electronic transactions or withdrawals of any type) presented for payment, those checks and items will be handled in accordance with our overdraft procedures. Your account will then be subject to a charge for the item whether paid or returned as set forth in our Business Pricing Schedule. If items are presented multiple times due to insufficient available funds, fees may be assessed each time the item is presented for payment. Except as otherwise agreed in writing, we, by covering one or any overdraft, do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If we pay a check or item that would otherwise overdraw your account, you agree to pay the overdraft amount immediately (within 24 hours of notification or less). We reserve the right to pursue collection of previously dishonored items at any time and charge for services rendered to collect by us or third parties.

If we have approved an overdraft protection plan for your account, we will honor items drawn on an insufficient available balance by transferring available funds from another share account or a loan account, as you have directed. The fee for these overdraft transfers, if any, is set forth in our Business Pricing Schedule. While there may be a charge when the Credit Union automatically moves money from a share account or loan account, there is no charge if you move money yourself to cover an overdraft either in person, via phone, mobile device or through PC Banking. Certain accounts, such as a Power Account, have excess transfer fees that are described in our Business Pricing Schedule. We will not honor items presented by you that will cause an overdraft(s) at a teller workstation or Automated Teller Machine (ATM).

RIGHT TO PAY OR RETURN - If an item (check, ACH, debit card, website transaction, audio response transaction, our fees or charges, or other electronic transactions or withdrawals of any type) is presented without sufficient available funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft), or return the item (NSF). While we reserve the right to pay or not pay any item presented without sufficient available funds, you may request that we not pay such items. In that case, we will return any item presented without sufficient available funds (NSF). If you wish to not pay such items, you must contact us by calling us at 800-400-8790 or by visiting one of our branch locations, or writing to NEFCU, PO Box 527, Williston, VT 05495 and informing us that you do not want us to pay any items presented without sufficient available funds. If you do not notify us, we retain the right, in our discretion, to pay or not pay any item presented without sufficient available funds. The amounts of the overdraft and NSF fees are disclosed in our Business Pricing Schedule. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or conducting other transactions without sufficient available funds and incurring Overdraft (OD) and non-sufficient funds (NSF) fees.

COURTESY PAY SERVICE

The Credit Union offers a discretionary overdraft payment service, known as Courtesy Pay, under the following terms and conditions.

1. Discretionary Service. The Credit Union offers the Courtesy Pay service to eligible business checking account owners who maintain their account in good standing. The Courtesy Pay service will be provided automatically once the checking account is opened to eligible members. Under the Courtesy Pay service, we are not obligated to pay any check or item presented for payment if your account does not contain sufficient available funds. The Credit Union may, as a discretionary service and not as a right of yours or our obligation to you, pay overdrafts up to a limit under the terms of this service and subject to your Business Membership Agreement. This overdraft service is not a line of credit, it is not guaranteed, and is independent of any other payment arrangement we may offer. Generally, we will not pay an overdraft for you in excess of any limit we have established for your account type. Limits are based on your financial history with us and others and are subject to change at any time. Also, we may refuse to pay an overdraft for you at any time, even if we have previously paid overdrafts for you. We have no obligation to notify you before we pay or return any item.

2. Overdraft Transactions Covered. If on any day you do not have available funds in your account, the following transactions, which may result in an insufficient or negative balance ("overdraft"), may be covered under our service: checks; online bill payments; ACH debits and other payments or withdrawals authorized by you, and any other items that may be posted to your account. We reserve the right to pay any checks or items in accordance with our normal operating procedures for such checks, items or transactions.

3. Overdraft Limit. Under our service, we may pay overdrafts up to a specific dollar overdraft ("overdraft limit") for accounts eligible for this service. The Credit Union's fees and charges and each paid check or item will not be included in this limit. This overdraft limit will not be included or reflected in your actual balance or available balance of your account provided by a teller, at ATM or POS facilities, through online services, by phone, or on your periodic statements.

4. Courtesy Pay/Paid NSF Fees. There is a fee for each overdraft check, transaction, or item. If we do not pay the overdraft, there is a Return Item fee per check, transaction, or item. There is no limit on the number of overdrafts paid or Courtesy Pay fees incurred on any one day. These fees may be amended from time to time as set forth in our Business Pricing Schedule.

5. Member Repayment Responsibility. You agree your overdraft balance, including applicable overdraft fees, is due and payable upon demand. If you fail to repay your overdraft balance within 15 days of notice from us, we may immediately suspend the overdraft service. Accounts still overdrawn after 30 days may be closed for failure to repay overdraft balances and we will report account closures to consumer reporting agencies.

6. Member Opt Out Right. The Credit Union offers the Courtesy Pay service as a service and convenience to members for incidental overdrafts. We do not encourage you to repeatedly overdraw your account. We encourage you to manage your finances responsibly. You may opt-out of the Courtesy Pay service at any time by notifying the Credit Union verbally or in writing. The Credit Union may require that any verbal opt-out be confirmed in writing. You understand that by opting out of this service, the Credit Union may refuse to pay any check or item that is presented against an insufficient available balance on your account and you will be responsible for any NSF/Returned Item fees. You are still responsible to pay any overdraft, even if you have opted-out of the service.

7. Credit Union Contact. For any questions or to exercise your opt-out right from the Courtesy Pay service, you may complete a Courtesy Pay Opt-In/Opt-Out Form located at www.nefcu.com or call the Credit Union at 800-400-8790. You may also contact the Credit Union to inquire about or set up an overdraft protection plan.

Post Dated and Stale Dated Items

You authorize us to accept and pay any check, even if the check is presented for payment before its date, unless you notify the Credit Union of the postdating. Your notice will be effective only if the Credit Union receives the notice in time for the Credit Union to notify its employees and reasonably act upon the notice and you accurately describe the check, including the number, date, and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. If you give the Credit Union an incorrect, incomplete, or untimely notice, the Credit Union will not be responsible for paying the item before the date stated and the Credit Union may charge your account as of the date the Credit Union pays the item. You may make an oral notice which will lapse within fourteen (14) days unless continued in writing, within that time. A written notice will be effective indefinitely unless it is subsequently canceled in writing. You also agree not to deposit checks, drafts, or other items before they are properly payable. The Credit Union is under no obligation to you to pay a check drawn on your account which is presented more than six months after its date.

STOP PAYMENT ORDERS

Liability

The Credit Union may charge a fee for each stop payment order requested, as set forth on the Business Pricing Schedule. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in refusing payment of an item, including any claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

Waiver of Notice

To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit a check and it is returned unpaid or we receive a notice of non-payment, we do not have to notify you unless required by federal Regulation CC or other law.

Stop Payment Request

You may ask the Credit Union to stop payment on any check drawn upon or ACH debit scheduled from your checking account. You may request a stop payment by telephone, by mail or in person. For checks, the stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order. Our stop payment cut off time is 8:00 a.m. on business days. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash). For ACH debits, the stop payment order must be received at least three (3) banking days before the scheduled date of the transfer. You must state the number of the account, date and the exact amount of the check or ACH debit and the number of the check or originator of the ACH debit. For ACH debits, if you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we re-credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the check to the Credit Union, and to assist the Credit Union in legal action taken against the person.

Duration of Order for Checking Accounts

You may make an oral stop payment order which will lapse within fourteen (14) calendar days unless continued in writing within that time. A written stop payment order will be valid for 6 months, unless it is subsequently renewed in writing. The Credit Union will not send you a notice when the stop payment order expires.

Official Check Stop Payment Request

There are significant limitations on your ability to stop payment on any certified check or draft, official check, cashier's check or teller's check, or any other check, draft or payment guaranteed by the Credit Union. In most cases, you will not be allowed to place a stop payment. You may request by mail, fax, telephone, or in person that the Credit Union issue a replacement check for a lost, stolen or destroyed Credit Union check. You should be aware that a replacement check might not be issued until 90 days from the original check issue date.

Lost Items

The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse the credit for any deposited items or to charge your account for the items should they become lost in the collection process.

Credit Union's Liability for Errors

If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain sufficient available funds to make the transaction; (b) circumstances beyond the Credit Union's control prevents the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor. The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules, and general banking practices followed in the area serviced by the Credit Union. You grant the Credit Union the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Membership Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form.

Credit Union Lien and Security Interest

To the extent you owe the Credit Union money as a borrower, guarantor, endorser or otherwise, and unless prohibited by law, you grant the Credit Union a consensual security interest (also called a lien) in all of your share accounts, which are identified by your member number, and agree the Credit Union may use the funds from your accounts to pay any debt or amount owed the Credit Union, except for your credit card(s) and obligations secured by your dwelling. 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. All accounts are non-assignable and nontransferable to third parties.

Right of Offset

Unless prohibited by law, the right of offset applies to any debt owed to the Credit Union now or in the future. We have the right to deduct any obligation you owe us from any of your accounts. This is our right of offset. We will not be liable for the dishonor of any item when the dishonor occurs because we offset a debt against an account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of offset.

Legal Process

If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved. If the Credit Union incurs any expenses or attorney fees in responding to legal process, the Credit Union may charge a legal process fee as set forth on the Business Pricing Schedule. If the Credit Union incurs any expenses, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien and security interest.

Account Information

Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a credit report in connection with your account. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances except when: (1) it is necessary to complete the transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; (3) such disclosure is in compliance with applicable laws and regulations or court orders; or (4) you give us your written permission.

NOTICES

Name or Address Changes

It is your responsibility to notify the Credit Union upon a change of address or change of name. If you elect eDelivery Services, you must notify us of a change in your email address, as prescribed in the eDelivery Services Consent Agreement. The Credit Union is only required to attempt to communicate with you only at the most recent address you have provided to the Credit Union. The Credit Union will accept requests for address changes from members who are properly identified in person, by telephone or through the online banking service. A written notice will be required for members who have not been effectively identified. A new membership application will be required for members who request a name change. A fee, as set forth in the Pricing Schedule, may be assessed for accounts with undeliverable mail.

Notice of Amendments

Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union will notify you of any changes in account terms, rates, or fees as required by law. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

Negative Information Notice

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

Effect of Notice

Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Notice must be received in time for the Credit Union to have a reasonable opportunity to act on it. Any written notice the Credit Union gives to you is effective when it is deposited in the US Mail, postage prepaid and addressed to you at your statement mailing address. If you elect eDelivery Services, a notice is effective on the date it is emailed to you. Notice to any one account owner is considered notice to all owners of the account.

TAXPAYER IDENTIFICATION NUMBERS (TIN) 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 (IRS) a required percentage of payments of interest, dividends and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may suspend the opening of your account.

STATEMENTS

Contents

If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. If a periodic statement is provided you agree that only one statement is necessary for a multiple party account. You must tell us if you do not receive your periodic statement. For checking accounts, you understand that when paid, your original check (or any substitute check) becomes property of the Credit Union and may not be returned to you. If you request us to provide you with an original check or sufficient copy, you agree that we may provide an electronic image of the original check or sufficient copy if you have agreed to receive account information or statements electronically.

Examination

You are responsible for examining each statement and your check copy and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, unauthorized, or unsigned item drawn or deposited to your account if you fail to notify the Credit Union within sixty 60 days of the mailing date of the earliest statement or delivery of e-statements and availability of drafts containing any forgery, alteration, or unauthorized signature on the item.

Notice to Credit Union

You agree that the Credit Union's retention of checks does not alter or waive your responsibility to examine your statements and check copies or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charged to your account unless you notify the Credit Union in writing within the above time limit after the statement and check copies are made available to you.

Electronic Statements (E-Statements)

If your statement is provided electronically, statements will be electronically mailed to you as attachment, or you will be sent an electronic mail notice that will direct you to the website where you may access, review, print and otherwise copy/download your periodic statements using procedures we authorize. Electronic mails from us will be sent to the electronic mail address provided by the account owner. If your statement is provided electronically, you have the same rights and responsibilities as if you received a written statement.

INACTIVE AND DORMANT ACCOUNTS AND UNCLAIMED PROPERTY

Inactive and Dormant Accounts - If you have an account that you have not made a withdrawal from, deposit to, or transfer involving your account for more than twelve (12) months, the Credit Union may classify your account as a dormant account and may charge an inactivity fee and/or a dormant account service fee as allowed by applicable law and set forth on the Business Pricing Schedule.

Unclaimed Property - The law establishes procedures under which unclaimed property must be surrendered to the State (escheat). (We may have our own rules regarding dormant accounts, and if we charge a fee for dormant accounts it will be disclosed to you in the Business Pricing Schedule.) Generally, the funds in your account are considered unclaimed if you have not had any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the State, you may be able to reclaim them, but your claim must be presented to the State. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

TERMINATION OF ACCOUNT - The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in the account; (4) any account checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft coverage plan; (6) there has been any misrepresentation or any other abuse of your accounts; or (7) you fail to satisfy any of the terms and conditions of the account or Credit Union Bylaws and policies. If your account is at a zero balance for 365 consecutive days, the Credit Union may close your account. You may terminate your account at any time by notifying the Credit Union in writing. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check after termination, you agree to reimburse the Credit Union for the payment.

TERMINATION OF MEMBERSHIP - You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. You may be expelled from membership for any reason allowed by applicable law. We may restrict account access and services when your account is being misused or you have demonstrated conduct which is abusive in nature, as outlined in our "Member in Good Standing and Limitation of Services Policy" or as otherwise permitted by law.

SPECIAL ACCOUNT INSTRUCTIONS - If you ask the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond or indemnify the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union official; otherwise, payment is accepted with full reservation of rights. Account changes required by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Membership Application and accepted by the Credit Union. The Credit Union will not recognize the authority of someone to whom you have given power of attorney without a copy of the Power of Attorney on record at the Credit Union.

PHONE CALLS - In the regular course of our business, we may monitor and record phone conversations made or received by our employees to maintain a record of the call. You agree that we will have such right with respect to all phone conversations between you and our employees, whether initiated by you or any of our employees. For payment authorizations, you provide by telephone, we may require you to confirm such instructions in writing.

MEMBER IN GOOD STANDING AND LIMITATION OF SERVICES POLICY - We reserve the right to restrict or suspend access to any or all products or services, except the basic rights to vote in annual and special meetings and maintain a share account, if you engage in conduct that is violent, belligerent, disruptive or abusive to the Credit Union and its membership. This conduct includes, but is not limited to:

- Violence, intimidation, threats, harassment, or physical or verbal abuse of duly elected or appointed officials or employees of the Credit Union, members, or agents of the Credit Union. This includes actions while on Credit Union premises and through use of telephone, mail, email, or electronic method.
- Causing or threatening damage to Credit Union property.
- Unauthorized use or access of Credit Union property.
- Knowingly disseminating incorrect, misleading, confidential, or proprietary information regarding the Credit Union.
- Any actions that may cause material risk or financial harm to the Credit Union.

The privilege of Credit Union services is available to members who are in "good standing." To remain in good standing, a member must:

- Maintain the minimum share balance.
- Not be significantly delinquent on Credit Union loans.
- Not have had any accounts closed due to abuse or negligent behavior.
- Not cause a financial loss to the Credit Union.
- Avoid any actions that may cause material risk or financial harm to the Credit Union.
- Avoid engaging in any violent, belligerent, disruptive, or abusive behavior towards Credit Union staff or other members at the Credit Union or its surrounding property.

The Credit Union may limit services for violent, belligerent, disruptive, or abusive activities only when there is a logical relationship between the objectionable activities and services to be suspended. All, or most, Credit Union services may be denied including, but not limited to: Share Draft privileges, Loans/Borrowing privileges, ACH and EFT transactions, ATM/Debit Cards and Credit Cards, Official Checks, Wire Transfers, Online and Mobile Banking services, denial of services which involve personal contact with Credit Union employees, and denial of access to Credit Union premises.

In the event of denial of limitation of services, the Credit Union will notify the member of what accounts and/or services have been discontinued.

NONPARTICIPATION POLICY - We reserve the right to terminate any membership and close account(s) for nonparticipation in the affairs of the Credit Union when the member's total relationship balance is less than one hundred dollars (\$100.00). "Nonparticipation" is defined as the member's failure to vote in the elections and failure to conduct any business with us, including failure to purchase shares from, obtain a loan or lend to us, for a period of three (3) years. Accounts belonging to members eighteen (18) years of age or younger will be exempt from this policy. This policy shall not apply to any account held by a member who has at least one other active account or relationship with us.

The termination of membership pursuant to this policy shall be effective thirty (30) days after such member is notified of the termination by mail, sent to the member's last known address on our records, unless such member notifies us of their intention to participate in the Credit Union as defined above, in writing before the expiration of such thirty (30) day period. Upon termination for nonparticipation, we will close the terminated member's account(s) and return any money in the member's account(s) to the member at their last known address on our records. If such monies are returned to us, the monies shall escheat (surrendered) to the State of Vermont in accordance with the State's escheatment laws. If your funds are surrendered to the State, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds. Termination of membership pursuant to this policy does not relieve the terminated member from any existing liability to the Credit Union, such as loan repayment, etc.

RESTRICTIVE LEGENDS - Due to automated check processing, items are paid based on the magnetic encoded (MICR) account number on each item. The Credit Union may pay and is not liable for items with restrictive legends. We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00." We are also not required to honor any restrictive endorsements on checks. An example of a restrictive endorsement is "for deposit only" or "cashing of this check constitutes payment in full."

ACH AND WIRE TRANSFERS - ACH and wire transfers are subject to the terms of this agreement, the regulations incorporated herein, as well as the provisions of Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we 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.

INTERNATIONAL ACH TRANSACTIONS - If your Account receives incoming ACH transactions (either credits or debits) or wire transfers initiated from outside of the United States, both you and we are subject to the Operating Rules and Guidelines of the National Automated Clearing House Association (NACHA) or the rules of any wire transfer system involved and the laws enforced by the Office of Foreign Assets Control (OFAC). Under such rules and laws, we may temporarily suspend processing of a transaction for greater scrutiny or verification against the OFAC list of blocked parties, which may result in delayed settlement, posting and/or availability of funds. If we determine there is a violation, or if we cannot satisfactorily resolve a suspected or potential violation, the suspected funds will be blocked as required by law. If you believe you have adequate grounds to seek the return of any blocked funds, it is your sole responsibility to pursue the matter with the appropriate government authorities.

POWER OF ATTORNEY - You may wish to appoint an agent to conduct transactions on your behalf. The Credit Union will not recognize the authority of someone to whom you have given power of attorney without a copy of the Power of Attorney on record at the Credit Union. We will only accept power of attorney designations that comply with Vermont law. You agree that the Credit Union has no duty or responsibility whatsoever to monitor or insure that the acts of the agent are appropriate, authorized, lawful, or for your benefit. If you appoint an agent, we may continue to honor the transactions of the agent until: (a) we have received written notice or have actual knowledge of the termination of the authority or your death, and (b) we have had a reasonable opportunity to act on that notice or knowledge. You understand and agree not to hold us responsible for any loss or damage you may incur as a result of our dealing with your agent acting under a power of attorney.

SEVERABILITY - In the event that any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

ILLEGAL TRANSACTIONS - You may not use any financial service or access device for any illegal transaction and we may decline to authorize or process any transaction we reasonably believe poses an undue risk of illegality. You agree to indemnify and hold the Credit Union harmless from any action, liability or damage, directly or indirectly, resulting from such use.

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

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 issue an electronic debit or 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 the transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment. You must 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).

Except for consumer electronic funds transfers subject to Regulation E, 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 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. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected.

Failure to adequately protect your account information and/or credentials, such as passwords and PINs, may result in refusal or suspension of services.

ENFORCEMENT - You understand and agree that by using any accounts and services provided, you are indemnifying the Credit Union and holding the Credit Union harmless for any liability, loss, or expense that the Credit Union incurs as a result of any dispute involving your accounts or services. You agree to cooperate with law enforcement and the Credit Union to mitigate loss. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. In addition, the Credit Union reserves the right to suspend your membership benefits and privileges in the event the Credit Union suffers a loss due to your actions or failure to act as required.

GOVERNING LAW - This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, local clearinghouse rules, and to the extent they are applicable, to the laws and regulations of the State of Vermont, all as may be amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

YOUR ABILITY TO WITHDRAW FUNDS

Our policy is to make funds from your cash, check, and electronic direct deposits available to you on the same day we receive your deposit. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

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

Same-Day Availability

Funds from the following deposits to your account will be available on the day we receive the deposit, except to the extent that deposits are made at an ATM:

Electronic direct deposits.

U.S. Treasury checks that are payable to you.

Wire transfers.

Checks drawn on New England Federal Credit Union.

Cash.

State and local government checks that are payable to you.

Cashier's, certified, and teller's checks that are payable to you.

Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

Most other checks you deposit, if these items are payable to you.

ATM Deposits

Funds deposited at a New England Federal Credit Union ATM will be available on the first business day after the day of your deposit. Deposits made on Saturday, Sunday, and holidays or after nightly processing will be considered made on the next business day. The first \$225 of your aggregate daily deposits will be made immediately available. Deposits are accepted only at ATMs owned by New England Federal Credit Union.

LONGER DELAYS MAY APPLY

Case-by-case delays. In some cases, we will not make all of the funds that you deposit by check available to you on the same day we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 of your deposits, however, will be available on the same day.

If we are not going to make all of the funds from your deposit available on the same day we receive your deposit, we will notify you 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 \$5,525 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 fifth business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules may 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 \$5,525 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. The excess over \$5,525 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 \$5,525 will not be available until the ninth 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.

SUBSTITUTE CHECKS AND YOUR RIGHTS

Important Information About Your Share Draft (Checking) Account

What Is a Substitute Check?

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

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

What Are My Rights Regarding Substitute Checks?

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

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

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

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

How Do I Make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:

New England Federal Credit Union

141 Harvest Lane

PO Box 527

Williston, VT 05495

1-800-400-8790

You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

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