

Coastal New England Federal Credit Union

Deposit Account Agreement

General Terms: The following terms and conditions are agreed to by you and us with respect to your deposit account(s) with us. In this agreement references to "you" and "your" mean the accountholder(s) and anyone who has authority to utilize the account(s). "We", "us" and "our" mean the financial institution which holds your account(s). To the extent that any of the following terms are void or unenforceable under applicable law, this agreement shall be treated as if such term did not exist and all of the other terms shall continue in full force and effect. All of the terms set forth in any Disclosure Statement given to you in connection with your account(s) are hereby made a part of this agreement and shall govern the use of your account(s). In the event of any conflict, the terms set forth in the Disclosure Statement shall control. By signing a signature card with respect to your account(s) you agree to all of the terms set forth herein. This agreement shall be subject to the laws of the United States of America and Massachusetts.

Types of Account(s): The following terms apply with respect to each type of account described below:

- 1. Individual Account:** An account standing in the name of one accountholder.
- 2. Joint Account:** An account in the name of two or more accountholders. Each of you may exercise any rights with respect to the account, including the right to withdraw funds from the account singly, unless we agree to the contrary. All joint account(s) shall be treated as account(s) with the right of survivorship which means that when one of the accountholders dies, the surviving accountholder(s) will own the account and will have all of the rights with respect to the account.
- 3. Joint Account with Right of Survivorship:** An account which is noted as a joint account with right of survivorship on the death of one party to a joint account, all sums in the account on the death vest in and belong to the surviving party(ies) as his or her separate property and estate. In the event this account is designated as a joint account without right of survivorship and we receive written notice of death of any person named in the account, we may freeze the account until we have received satisfactory evidence as to the disposition of the account.
- 4. In Trust for Account(s):** An account which is opened by a trustee for the benefit of another person. Only the trustee may withdraw funds from such an account. You may change the named beneficiary at any time by written direction to us. In the event of the death of the last trustee on the account, payment may be made to the beneficiary of the account or that person's legal representative. We will not release any funds, however, until all legal documents have been delivered to us. We will not be liable for any payments or withdrawals made in accordance with state law.
- 5. Custodial Account:** Any custodial account maintained is subject the Uniform Transfers to Minors Act or other similar applicable law as adopted by the state in which the account is opened. The account must be opened in the name of a custodian. There may be only one custodian and one minor or beneficiary for each account.
- 6. Power of Attorney:** If you wish to name another person to act as your attorney-in-fact or agent in connection with your account, we must approve the form appointment.

Rules Relating to Funds Deposited in Your account(s). Any deposit which you make into your account(s) will be treated as having been received on the date of deposit. We will give provisional credit with respect to items deposited to your account(s) and may revoke any provisional credit that we have given if the item is not finally paid. We will give final credit for any cash that is deposited into your account(s). Funds that are deposited into your account(s) will be made available for withdrawal or the payment of checks drawn on your account in accordance with our Funds Availability Policy (later in the document). We may refuse to accept particular share drafts/checks or similar instruments as credit to your account in accordance with this agreement. You will, in any event, be liable to us for the amount of any share draft/check you deposit to your account that is returned unpaid, plus our costs and expenses associated with the collection of all or part of such amount from you, including reasonable attorney fees. You understand you may not be able to withdraw funds until we have received final settlement for any item deposited. Any funds deposited on Saturdays, Sundays, Holidays, or after our cut-off hour on business days, will be credited to your account at the beginning of the next business day.

Direct Deposits. If you have an agreement with us by which funds may be directly deposited into your account(s), any amount which must be returned to the United States of America, or any agency thereof, for any reason will be automatically deducted from your account(s) or from any other account you may have with us, except to the extent prohibited by law. We may also pursue any other remedy available to us to recover any funds that have been deposited into your account(s) and which we are required to return to the United States of America, or any agency thereof.

Right of Set-Off. To the extent permitted by applicable law, we may set-off any funds in your account(s) against any obligation that you owe to us now or in the future. This right of set-off does not apply if 1) your account is an Individual Retirement Account or other tax qualified retirement account, 2) the identity of the obligor to us and the accountholder are not the same, or 3) the obligation to us arose in a consumer credit transaction where a credit card was used to create the obligation. You should be aware that if we exercise our right of set-off, there may not be sufficient funds in your account(s) to cover any check that is presented to us after we exercise our right of set-off. We will have no liability for the dishonor of any such check.

Fees and Charges: We will provide you with a schedule of fees and charges which may be applied against your account(s). You authorize us to charge your account(s) for these fees and charges as applicable. To the extent that there are insufficient funds in your account(s) to cover such fees and charges, you agree to pay us such fees and charges forthwith. We may assess a reasonable charge against your account(s) when we dishonor any item that is presented for payment from your account(s) and which is dishonored because of insufficient funds. The amount of all fees and charges that we may assess against your account(s) is set forth in our schedule of fees and charges (later in this document).

Withdrawals from Account(s): Unless we have agreed with you otherwise and have indicated our agreement on your account records, each of you, acting singly, may withdraw funds from your account(s) by signing as the maker of any check, signing any withdrawal order, or otherwise as we may permit. Any of you may endorse any item payable to you or your order for deposit into your account(s). You agree not to postdate any check or other order for withdrawal. If you do postdate any item, you agree that we may charge your account(s) for the item even though payment is made before the date on the check. We will not do this if we have received written notice from you with respect to such postdating which notice must be delivered in time for us to have a reasonable opportunity to act on it and must identify the check by date, number, amount and payee. We are not obligated to honor any item presented for payment against your account(s) unless there are sufficient available funds to pay such item. If we do pay any such item and, as a result, an overdraft occurs in your account(s), you agree to immediately deposit sufficient funds in your account(s) to eliminate such overdraft.

We may require that you provide us notice in writing at least 7 days prior to each withdrawal from any account you have with us that bears interest (other than a time deposit) or from any savings account as defined by Regulation D issued by the Federal Reserve Board. You may be subject to a penalty in the event that you withdraw funds from a time account prior to its maturity or prior to the expiration of any notice period. The existence and amount of any such penalty will be set forth in the Certificate of Deposit section of this Agreement.

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Wire Transfers: If you originate a wire transfer for which FedWire is used, you understand that said transfer is subject to Article 4A of the Uniform Commercial Code. If you originate a fund transfer by wire and you do not properly identify the name of the beneficiary, the beneficiary's account number, or provide any other necessary information, you shall bear the loss (if any) caused by such failure to properly provide the required information. We shall have no liability to you for any such loss even though we could have prevented such loss by confirming the accuracy of the information which you provided.

Automated Clearing House: In the event that any transaction related to your account(s) utilizes the services of an automated clearing house, you agree to be bound by the rules of such automated clearing house or any association to which it belongs. These rules may provide, among other things that payments made to you, or originated by you, will be provisional until final settlement is made through a Federal Reserve Bank or payment of the same is otherwise finally made as provided in Article 4A-403 (a) of the Uniform Commercial Code. In the event that any amount is credited to your account(s) and we do not receive final payment with respect to the same, we shall be entitled to a refund from you of the amount so credited to your account(s).

Stop Payment Orders: You may stop payment on any item that you have drawn against funds in your account(s). We must receive your stop payment order in time for us to have a reasonable opportunity to act upon it. If you request us to stop payment on an item orally, we may request that you confirm your stop payment order in writing. If we do not receive your written confirmation of the stop payment order within 14 days, your stop payment order will no longer be effective. Any written stop payment order will only be effective for six months and if you wish to renew the stop payment order at the end of said six months, you must so advise us in writing.

Any stop payment order must accurately identify the item to which it applies, including any check number, the amount of the check, your account number, the date of the check and the payee of the check. Any stop payment order received by us will be effective even though it is signed by an accountholder other than the accountholder who initially signed the item to which it applies. However, if you wish to cancel a stop payment order, the person who initiated/signed the stop payment order must also initiate/sign the cancellation.

Use of Restrictive Legends: We are not obligated to honor any restrictive legend you place on any item you write unless we have agreed in advance in writing to honor such restriction.

Order of Payment of Items Drawn on Your account(s): We may pay items presented on your account in any order which we choose. Typically we will attempt to pay items presented against your account to the extent possible, but if you do not have sufficient available funds in your account(s) to pay all of the items presented against your account on a single banking day, we may select which items to pay and which items to dishonor. We will have no liability to you as a consequence of any such selection.

Telephone Transfers: A telephone transfer agreement of funds from this account to another account with us may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month

Liability: Each of you agrees for yourself (and the person or entity you represent if you sign as a representative of another) to the terms and conditions of this account and to the schedule of charges as provided in the Disclosures provided to you at the time you opened the account. Fees, charges and balance requirements may change from time to time. We reserve the right to impose a service charge for cashing share draft/checks drawn on your account if the person cashing the share drafts/check is not a member of the credit union. This agreement includes your promise to pay us and be responsible for any fees, charges or balance/share requirements (and any other reasonable charges we impose for service as you request), which may be deducted from the account balance. It also includes your promise to be jointly and severally liable for any account deficit resulting from charges or overdrafts, together with any costs we incur to collect any deficit, including our reasonable attorney fees (to the extent permitted by law). You agree that at our option we may suspend your membership rights, except for the member's right to vote and maintain a share account, if you violate any of the terms of this agreement.

Expenses: Any expenses arising from attachment, garnishment or levy of your account will be your responsibility.

Periodic Statements: If you have a statement account(s), we will deliver to you a statement of your account periodically. You must examine your statement promptly. If you discover or should have discovered any unauthorized withdrawal from funds in your account(s), you must immediately notify us of your discovery and provide us with all information necessary for us to determine whether the withdrawal was unauthorized. To the extent that you do not promptly notify us of any such unauthorized withdrawal you may be liable for any loss which is thereafter sustained which we could have prevented had you promptly notified us of the unauthorized withdrawal. You agree that you will not have acted promptly if you fail to examine your statement and report any unauthorized withdrawal to us within 30 calendar days of the date that the statement was sent to you or made available for your examination. You agree that if you fail to provide notice to us of any unauthorized signature, alteration, forgery, or other error with respect to your account within 60 days of when we sent you the statement or made it available to you, you will not be able to assert a claim against us with respect to any item(s) reflected in such statement.

Non-Assignability of Account(s): You may not transfer or assign your account(s) to any third party without our prior written consent. Any such attempted transfer or assignment shall be void with respect to us.

Credit Reports: In connection with your account(s), you hereby authorize us to obtain a consumer credit report on you from any credit reporting agency.

Abandoned Account(s): If an account has been deemed abandoned under Massachusetts law because there has been no account activity (for example, some form of customer-initiated transaction or communication) for a period of three years, we must turn the funds in the account over to the Commonwealth of Massachusetts. We will attempt to notify you in writing before this takes place. Funds which have been turned over to the Commonwealth can be reclaimed from the Commonwealth, but proof of ownership will be required before payment will be made by the Commonwealth.

Change of Address: You agree to notify us in writing of any permanent change of address. Any notice or statement mailed to the last address appearing on our records will be deemed delivered and binding for all purposes.

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Truth-In-Savings Disclosure

Main Share Account

Rate Information: The dividends rate and annual percentage yield may change at any time, as determined by the credit union's Board of Directors.

Compounding and Crediting: Dividends will be compounded and credited monthly to your account.

Dividend Period: The dividend period is monthly, for example, the beginning date of the first dividends period of the calendar year is January 1, and the ending date of such dividends period is January 31. All other dividends periods follow this same pattern of dates. The dividends declaration date is the last day of the dividends period, and for the example above is January 31.

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

Minimum Balance Requirements: The minimum required to open this account is the purchase of a share in the credit union. Please see the bylaw requirements in the Common Features section for additional information. You must maintain a minimum daily balance of \$25 in your account each day to obtain the disclosed annual percentage yield.

Daily Balance Computation Method: Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

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

Transaction Limitations: During any month, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, telephonic order or instruction, or similar account will be subject to closure by the credit union.

Par Value of a Share: The par value of a share in this account is \$25.

Share Draft (Checking) Account

Rate Information: There are no dividends paid on this account.

Minimum Balance Requirements: Other than the \$25 par value requirement for membership, there is no minimum balance required to open or maintain this account.

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

Money Market Deposit Account

Rate Information: The interest rate and annual percentage yield may change at any time, as determined by the credit union Board of Directors.

Compounding and Crediting: Interest will be compounded and credited monthly to your account.

Effect of Closing an Account: If you close your deposit account before interest is paid, you will not receive the accrued interest.

Minimum Balance Requirements: The minimum balance required to open this account is \$2,500. You must maintain a minimum daily balance of \$25 in your account each day to obtain the disclosed annual percentage yield.

Daily Balance Computation Method: Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day to obtain the disclosed annual percentage yield.

Accrual of Interest on Non-cash Deposits: Interest will begin to accrue on the business day you deposit noncash items (for example, checks) to your account.

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

Christmas Club Account

Rate Information: The interest rate and annual percentage yield may change at any time, as determined by the credit union's Board of Directors.

Compounding and Crediting: Interest will be compounded and credited monthly to your account.

Effect of Closing an Account: If you close your deposit account before interest is paid, you will not receive the accrued interest.

Minimum Balance Requirements: The minimum balance required to open this account is \$1. You must maintain a minimum daily balance of \$10 in your account each day to obtain the disclosed annual percentage yield.

Daily Balance Computation Method: Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the



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account each day to obtain the disclosed annual percentage yield.

Accrual of Interest on Noncash Deposits: Interest will begin to accrue on the business day you deposit noncash items (for example, checks) to your account.

Transaction Limitations: The maximum balance in this account that we allow is \$10,000 per year. You may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, telephonic order or instruction, or similar order to a third party.

If any withdrawal is made from this account before the end of the club term, then this account may be closed. At the end of the term, the credit union will transfer the entire balance to your Main Share Account.

Certificate of Deposit

Rate Information: The interest rate on your account is _____% with an Annual Percentage Yield of _____%. You will be paid this rate until first maturity.

Compounding and Crediting: Interest will be compounded and credited monthly to your account.

Minimum Balance Requirements: The minimum balance required to open this account is \$1,000 (IRA accounts is \$500). You must maintain a minimum daily balance of \$1,000 in your account each day to obtain the disclosed annual percentage yield.

Daily Balance Computation Method: Interest is calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day to obtain the disclosed annual percentage yield.

Accrual of Interest on Noncash Deposits: Interest will begin to accrue on the business day you deposit noncash items (for example, checks) to your account.

Transaction Limitations: After the account is opened, you may not make deposits into the account until the maturity date stated on the account. You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty. You can only withdraw interest credited in the term before maturity of that term without penalty. You can withdraw interest anytime during the term of crediting after it is credited to your account.

Time Requirements: Your account will mature _____.

Early withdrawal penalties (a penalty may be imposed for withdrawals before maturity):

- If your account has an original maturity of one year or less: The penalty we may impose will equal three months interest on the amount withdrawn subject to penalty.
- If your account has an original maturity of more than one year: The penalty we may impose will equal six months interest on the amount withdrawn subject to penalty.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. See your plan disclosure if this account is part of an IRA or other tax qualified plan.

Withdrawal of Interest Prior to Maturity: The annual percentage yield is based on an assumption that interest will remain in the account until maturity. A withdrawal will reduce earnings.

Automatically Renewable Account: This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below) or we receive written notice from you within the grace period mentioned below. We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, your deposit will be placed in an interest-bearing account (your Main Share Account).

Each renewal term will be the same as the original term, beginning on the maturity date. The interest rate will be the same we offer on new time accounts on the maturity date which have the same term, minimum balance and other features as the original time account. You will have a grace period of ten calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

Common Features

Bylaw Requirements: You must complete payment of one share in your Main Share Account as a conditional of admission to membership.

Transaction Limitation: We reserve the right to, at any time, require not less than seven days notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D.

Nature of Dividends: Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. (This disclosure further explains the dividend feature of your non-term share account(s).)

National Credit Union Share Insurance Fund and MSIC: Member accounts in this credit union are insured by MSIC and federally insured by the National Credit Union Share Insurance Fund.



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Your Account

These are the account(s) you have opened or inquired about. Further details about these account(s) are included in this document. If the figures are not filled in, please see the insert that is with this disclosure or your periodic statement.

- Main Share Account. Last declared dividend rate: As of the last dividend declaration date, the dividend rate was 0.05% with an annual percentage yield of 0.05% on your account.
- Share Draft Account. No dividend paid on this type of account.
- Money Market Deposit Account: Tier 1: If your daily balance is \$25 to \$10,000, the interest rate paid on the entire balance in your account will be 0.25% with an annual percentage yield of 0.250%. Tier 2: If your daily balance is \$10,001 to \$25,000, the interest rate paid on the entire balance in your account will be .40% with an annual percentage yield of 0.401%. Tier 3: If you daily balance is \$25,001 to \$50,000, the interest rate paid on the entire balance in your account will be 0.50% with an annual percentage yield of 0.501%. Tier 4: If your daily balance is more than \$50,000, the interest rate paid on the entire balance in your account will be 0.60% with an annual percentage rate of 0.602%.
- Christmas Club Account: The interest rate on your deposit account is 0.05% with an annual percentage yield of 0.05%.
- Certificate of Deposit: The interest rate on your deposit account is _____% with an annual percentage yield of _____%.

