



Northland
Area Federal Credit Union



Membership Account Agreement

October 2009

MEMBERSHIP ACCOUNT AGREEMENT

This is the Agreement between you, the member, and NORTHLAND AREA FEDERAL CREDIT UNION "NAFCU", or "Credit Union"), a Michigan Credit Union Corporation, regarding your account(s) with the Credit Union. By establishing an account with the Credit Union you agree that this Agreement is a binding contract between you and the Credit Union.

You should retain a copy of the Agreement and feel free to call the Credit Union if you have any questions. This Agreement also includes certain disclosures required under the Truth-In-Savings Act and National Credit Union Administration and Federal Reserve Board regulations, the Federal Electronic Funds Transfer Act (Regulation E), the Michigan Electronic Funds Transfer Act, the Funds Availability Act (Regulation CC) and Uniform Commercial Code Article 4A. The words "you" and "your" mean the member and any joint members or co-depositors or co-borrowers. The words "we", "our", "us", and the "Credit Union" mean NORTHLAND AREA FEDERAL CREDIT UNION.

Truth In Savings Disclosure. The Truth-in-Savings Act (TIS) is a section of the Federal Deposit Insurance Corporation Improvement Act of 1991. The National Credit Union Administration is charged with enforcing this Act which applies to all credit unions. The purpose of TIS is to promote and simplify comparisons among accounts at all financial institutions. TIS enables consumers to make informed choices/comparisons among competing claims of financial institutions by requiring disclosure of the interest rates payable on these accounts and the fees assessable against these accounts. It is the intent of Northland Area Federal Credit Union to maintain compliance with this federal law pertaining to disclosure of the terms and conditions of all savings programs.

Membership. The Credit Union's membership is set forth in its bylaws as approved by the National Credit Union Administration. Once you are approved for membership, it is a lifetime membership, provided that you keep your membership in good standing. The Credit Union's bylaws provide that "once a member, always a member" so that even if you retire, change jobs (outside the field of membership) or move to a new location, you may remain a member of the Credit Union. Only members in good standing may receive the benefits and services of the Credit Union.

Share Account. To become a member of the Credit Union, you must complete a membership signature card and open a Share Account. The minimum balance required to open this account is the purchase of a \$5.00 par value of a share in the credit union. You must maintain a minimum daily balance of \$5.00 in your account to avoid a service fee. If during any month, your account balance falls below the required minimum daily balance your account will be subject to a service fee for that month.

Financial Data Verification. You agree that we are authorized to verify financial information, data, and employment history by any necessary means, including obtaining a consumer report by any consumer-reporting agency.

Deposits Generally. After you have established your Share Account, you may make additional deposits into your Share Account, or establish other types of accounts as described herein, at any time. The amount is not transferable except on the Credit Union's books and records. We may establish minimum amounts for deposits in your Share Account or other savings accounts.

You can make deposits in person, by mail, or by any method approved by the Credit Union. At the present time, you can arrange to have one or more of the following deposits made directly to your Share and/or Share Draft Accounts: (1) payroll deduction deposits, (2) net pay deposits, (3) Social Security deposits, (4) pension plan deposits, (5) stock dividends, or (6) other miscellaneous deposits. If you have an automatic teller machine (ATM) card, you can make a deposit through one of the automated teller machines equipped to accept deposits. All deposits are subject to proof and verification. If you deposit a check, draft or other non-cash item, we have the right to clear it before we make the money available to you, subject to federal regulations. If there are special fees for collecting your deposit, you promise to pay them (see the Fee Schedule for a list of fees). We may deduct them directly from your account. If we feel there is a reason, we may refuse, limit or return any deposit. We have the right to refuse to accept any deposit, and we specifically reserve the right to refuse to accept checks for deposit that have more than one endorsement. We reserve the right not to pay interest on amounts subject to garnishment, levy or other legal process; and we reserve the right not to pay interest on any deposit that is returned to us unpaid by the financial institution on which it is drawn (even if that means a reversal of credited interest).

Deposit of Funds – Final Payment. All items, including paper and electronic type transactions credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items or ACH transfers and impose a return item charge on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds. We have the right to charge-back against your account all previously deposited items or other items endorsed by you that are returned to us unpaid, regardless of whether the amount of the item has been available for your use. We may debit your account into overdraft on a charge-back situation, and not be liable for damages to you as a result of the charge-back. Nothing in this Agreement shall be construed to require us to debit the account into overdraft or to create an arrangement for the extension of credit by means of overdrafts.

Withdrawing Money from Your Share Account. As long as you have funds in your account, and subject to any restrictions in this Agreement or in applicable state or federal laws and regulations, funds can be withdrawn from your account by any method approved by the Credit Union.

All sums paid to the Credit Union on shares (less set-offs allowed by law and/or provided for by contract) shall be paid on proper withdrawal demand. In the case of a single name account, such demand must be made by the owner or his/her representative. In the case of a multiple name account, such demand must be made by one or more of the owners of the account or in accordance with a separate Agreement, by any one owner. If all owners are deceased and there is (are) a beneficiary (ies), the funds covered by this Agreement shall become the property of the beneficiary (ies) listed on the Membership Card who are living at the time. Each such beneficiary shall have the power to withdraw only his or her equal share of the remaining account balance together with any

accumulations on such amount. No beneficiary shall have any right under any circumstances to change the terms and conditions of this Agreement.

Overdrafts. We may honor overdrafts made at an ATM or teller workstation. If at any time, the available funds in your account are not sufficient to cover share withdrawals and any other debit items, including but not limited to ACH debit or other electronic transaction (except ATM withdrawals) presented for payment on your account, those share withdrawals 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 provided in our fee schedules. This fee is imposed for any overdraft created by share withdrawals, ACH, debit cards, or by other electronic means. Additionally, more than one overdraft fee may be charged against the account per day, depending on the number of ACH, or other electronic items presented on, and other withdrawals made from the account. 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 share withdrawal or other debit item that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time.

If we have approved an overdraft protection plan for your account, we will honor withdrawals drawn on insufficient funds by transferring funds from a share draft account or another deposit account or a loan account, as you have directed. No more than six (6) transfers may be permitted in any calendar month from deposit accounts. Once the transfer total for the month has reached six (6), any insufficient funds items will be handled in accordance with our regular overdraft procedures. The fee for these overdraft transfers and excessive transfers, if any, is set forth in our Fee Schedule.

Rate and Annual Percentage Yield ("APY").

Your Share Account will earn what are known as dividends. Dividends are like interest, except that the rate of dividends is set by the Credit Union's Board of Directors (the "Board") from time to time, and dividends are not guaranteed. The Credit Union estimates a prospective dividend rate and prospective annual percentage yield (APY) on your Share Account for each dividend period. The dividend rate and APY may change every calendar quarter as determined by the Board. The dividend rates will be available each business day at our office. The words "dividend" and "interest" may be used interchangeably in this Agreement.

Calculating Dividends. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account each day. Dividends will begin to accrue on the business day you deposit cash or non-cash items (such as checks) to your account, and will accrue to, but not including, the day of withdrawal or transfer.

Compounding. We compound your dividends, even though the law doesn't require it. Compounding is more favorable to you, because once dividends have been earned by your account they are added to the balance on which you will continue to earn dividends. Because we compound dividends, the actual yield on your account will be somewhat higher than the annual dividend rate. The Annual Percentage Yield (APY) will be posted along with the annual interest (dividend) rate. For this account type, the dividend period is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. Dividends will be compounded quarterly. The perspective dividend rate for each quarter will be determined in the third month of the current quarter. The dividend declaration date for the quarter is the last day of the period, and for the example above is April 1st.

Crediting Dividends. Dividends will be credited quarterly. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don't actually credit them to your account until the first day of the following quarter. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will not receive the accrued dividends.

How Withdrawals Affect Dividends. Even though we don't credit your dividends to your account until the date specified above, we calculate them on a daily basis. Therefore, if you make a withdrawal, you will not receive any further dividends on that amount from the day you make the withdrawal until the day that dividends are credited.

Funds Availability. Funds from deposits you make into your Share Account may not always be immediately available for withdrawal. Information about our funds availability policy is provided to you in the "Funds Availability" disclosure included in this Agreement.

IRA Share Accounts.

Please refer to separate IRA Share disclosures.

Share Draft Accounts

Deposits Generally. After you have established your Share Draft Account (at some Credit Unions, these are called checking accounts), you may make additional deposits into your Share Draft Account at any time and in any amount subject to the terms of this Agreement. All drafts drawn on your Share Draft Account may be returned by us unpaid for any reason that drafts are normally returned, for example: insufficient funds, uncollected funds, or litigation.

Deposit of Funds – Final Payment. All items, including both paper and electronic type transactions credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items or ACH transfers and impose a return item charge on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds. We have the right to charge-back against your account all previously deposited items or other items endorsed by you that are returned to us unpaid, regardless of whether the amount of the item has been available for your use. We may debit your account into overdraft on a charge-back situation, and not be liable for damages to you as a result of

the charge-back. Nothing in this Agreement shall be construed to require us to debit the account into overdraft or to create an arrangement for the extension of credit by means of overdrafts. Withdrawals of money can be done from Your Share Draft Account, as long as you have funds in your account and subject to any restrictions in this Agreement or any applicable state or federal laws and regulations. Funds can be withdrawn from your account by written draft or any other method approved by the Credit Union.

Payment of Drafts.

The Credit Union may pay a share draft on the day it is presented for payment, regardless of the date (or any other limitation on the time of payment) appearing on the share draft unless, the Credit Union has a stop payment order concerning the share draft prior to presentment and with reasonable time for the Credit Union to act. Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or non-payment of a draft.

Payment Order of Items. The law permits us to pay items (such as checks or drafts) 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 you write. When processing items drawn on your account, our policy is to pay them according to the dollar amount. We pay the smallest items first, except in the case of cash items, which are always paid first regardless of the dollar amount. The order in which items are paid is important, if there is not enough money in your account to pay all of the items that are presented overdraft fees may be applied to your account in accordance to overdraft procedures.

Overdrafts We may honor overdrafts from an ATM. If at any time, the available funds in your account are not sufficient to cover share drafts and any other debit items, including but not limited to ACH debit, debit card transaction or any other electronic transaction presented for payment on your account, those share drafts 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 provided in our fee schedules. This fee is imposed for any overdraft created by checks, ACH, debit cards, or by other electronic means. Additionally, more than one overdraft fee may be charged against the account per day, depending on the number of checks presented on, and other withdrawals made from the account. 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 draft or other debit item that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time.

If we have approved an overdraft protection plan for your account, we will honor drafts drawn on insufficient funds by transferring funds from a share account or another deposit account or a loan account, as you have directed. No more than six (6) transfers may be permitted in any calendar month from deposit accounts. Once the transfer total for the month has reached six (6), any insufficient funds items will be handled in accordance with our regular overdraft procedures. The fee for these overdraft transfers and excessive transfers, if any, is set forth in our Fee Schedule.

Right to Pay or Return. If paper check, debit card transaction, ACH transaction, or website transaction is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). We will not honor overdrafts of any type from an ATM. While we reserve the right to pay or not pay any item presented without sufficient funds, you may request that we not pay such items. In that case, we will return any item presented without sufficient funds (NSF). If you prefer that we not pay such items you must contact us in writing and inform us that you do not want us to pay any items presented without sufficient funds. Write to us at:

Northland Area Federal Credit Union
P.O. Box 519
Oscoda, MI 48750

If you do not notify us, we retain the right, in our discretion, to pay or not pay any item presented without sufficient funds. The amounts of the overdraft and NSF fees are disclosed in the Fee Schedule. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

Truncated Drafts; Statements. Your canceled drafts will not be returned to you; they will become Credit Union property and be held by us, or "truncated" for you. Drafts or checks can be requested from the Credit Union. Your periodic statement will itemize your cancelled drafts by number, date of clearing and the amount of the draft.

Funds Availability. Funds from deposits you make into your Share Draft Account may not always be immediately available for withdrawal. Information about our funds availability policy is provided to you in the "Funds Availability" disclosure included in this Agreement.

Stop Payment Order Request. You may request a stop payment order on any outstanding draft drawn on your account. To be binding an order must be dated, signed, and describe the account and draft number and the exact amount. The stop payment will be effective if the Credit Union receives the order in time to act upon the order and you state the number of the account, number of the

draft, and its exact amount. You understand that the exact information is necessary for the Credit Union's computer to identify the draft. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the draft. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any other party for payment of the draft. If we re-credit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft and to assist us in any legal action.

Duration of Order. You may make an oral stop payment order that will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written stop payment order is effective for six (6) months and may be renewed in writing from time to time. We do not have to notify you when a stop payment order expires.

Liability. Fees for stop payment orders are set forth on the Fee Schedule. You may NOT stop payment on any certified check, teller's check or any other check, draft, or payment guaranteed by us. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any joint account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

Payment of Drafts After Death. The Credit Union may, after the date of your death, pay drafts drawn before death unless ordered to stop payment by the personal representative or other appropriate person claiming an interest in the account.

Rate Information. The dividend rate and annual percentage yield (APY) may change as determined by the credit union board of directors. This account is a tiered-rate account which means that different rates and annual percentage yield apply to specified balances levels. See the rate sheet for the specific tier information and rates.

Compounding and Frequency. Dividends on this account will be compounded quarterly and credited quarterly. For example: the beginning date of the first dividend period of a calendar year is January 1st and the ending date of such dividend period is March 31st. Dividends will be paid to the account on April 1st. All other dividend periods follow this same pattern of dates. The dividend declaration date for the example is April 1st.

Account Restrictions and Features. This account may only be opened if you already have a primary share account at the credit union.

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

Minimum Balance Requirements. No minimum balance requirements apply to this account.

Accrual of Dividends on Non-cash Items. Dividends will begin to accrue on the business day you deposit non-cash items to your account (Example: checks).

Share Certificates and IRA Certificates

Compounding Certificates. Dividends are declared by the Board of Directors, and will compound and be paid quarterly. Compounding certificates are offered for both the share certificates and IRA certificates. Please refer to separate certificate disclosures.

Non-Compounding Certificates. Dividends are declared by the Board of Directors, and are paid monthly to the member's savings account. Non-Compounding certificates are offered only for non-IRA certificates. Please refer to separate certificate disclosures.

Dividend Period. The beginning date of the first dividend period of the calendar year is the date of purchase, and the ending date of the dividend period is three months from that date for compounding certificates, or one month from that date for non-compounding certificates.

Balance Computation. Dividends will be calculated by a daily balance method, which applies a daily periodic rate to the balance in the account each day.

Minimum Balance Requirements. There is a minimum balance required to open a share certificate or an IRA certificate.

Transaction Limitations. Additional deposits to a share certificate or an IRA certificate are not allowed, unless provided for in writing.

Account Restrictions and Features. You must have a primary share account at the credit union with the required minimum balance to open a share certificate. IRA certificates require a separate IRA share account be established with the required minimum balance. The certificate must be set up with the tax identification number of the primary member.

Early Withdrawal Penalty and Grace Period Information

We may impose a penalty if you withdraw any of the funds in your certificate before the maturity date. This penalty may not apply to withdrawals made during the seven-day grace period following each maturity date or after the death of any owner of the certificate.

Renewal Information. Certificates will automatically renew from the last maturity date, unless the credit union provides written notice to the account holder prior to maturity that the certificate will not renew. Written notice must be given to the credit union prior to the maturity date or during the grace period in order to eliminate the renewal feature. A certificate of maturity notice will be prepared and mailed to the member at least 30 days prior to the certificate maturity.

Christmas Club and Special Purpose Savings Accounts

Minimum Balance Requirements. There is no minimum balance required to open a Christmas Club or Name It Yourself Account, except the purchase of a \$5.00 share in the Credit Union.

Transaction Limitations. During any calendar month, you may make more than six withdrawals or transfers to another credit union account of your or to a third party by means of a preauthorized or automatic transfer or telephonic order or instructions. No more than three of the six transfers may be made by check, draft, debit card, or similar to third party.

Rate and Annual Percentage Yield ("APY"). Your Christmas Club and/or Special Purpose Savings Accounts will earn what is known as dividends. Dividends are like interest, except that the rate of dividends is set by the Credit Unions Board of Directors from time to time, and dividends are not guaranteed. The Credit Union estimates a prospective dividend rate and prospective percentage yield (APY) on these accounts for each dividend period. The dividend rate and APY may change every calendar quarter as determined by the Board of Directors. The dividend rates will be available each business day at our office.

Compounding. We compound your dividends, even though this is not required by law. Compounding is more favorable to you, because once dividends have been earned by your account they are added to the balance on which you will continue to earn dividends. Because we compound dividends, the actual yield on your account will be somewhat higher than the annual dividend rate. The Annual Percentage Yield (APY) will be posted along with the annual interest (dividend).

Crediting of Dividends. Dividends will be credited quarterly. If you close your Christmas Club Account and/or Name It Yourself Account before accrued dividends are credited, accrued dividends for the quarter in which you close your account will not be paid.

How Withdrawals Affect Dividends. Even though we don't credit your dividends to your account until the date specified above, we calculate them on a daily basis. Therefore, if you make a withdrawal, you will not receive any further dividends on that amount from the day you make the withdrawal until the day dividends are credited.

Funds Availability. Funds from deposits you make into these accounts may not always be immediately available for withdrawal. Information about our funds availability policy is provided to you in the "Funds Availability" disclosure included further below in this Agreement.

Other Terms and Conditions

Share Insurance. Your savings in the Credit Union are insured up to \$250,000 by the National Credit Union Administration (NCUA), an agency of the Federal Government.

Nature of Dividends. Dividends are paid from current income and undivided earnings, after required transfers to reserves at the end of a dividend period.

Calculating Dividends. Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day. Dividends on non-cash deposits (checks) begin to accrue on the day the deposit is received by us and will continue to accrue to, but not including, the day of withdrawal or transfer.

Fees and Charges. From time to time, your accounts may be subject to various fees and charges as set forth in our Fee Schedule. You agree to pay those charges in connection with your accounts in accordance with that schedule. We will provide advance notice of any increase in the current charges, or any new charges, as required by law. We may deduct any fees or charges from your account. We reserve the right to waive any fees or charges at our sole discretion.

Return of Deposits/Closed Accounts. We may, at any time, at our sole discretion, refuse to accept any deposit, or close any or all of your accounts with us without prior notice to you, provided, however, we may not terminate your membership in the Credit Union without satisfying the notice provisions of Credit Union law. If we close an account, we will notify you and send you a check for any balance in your account after deducting all applicable charges. Any withdrawal that reduces the amount in a primary share account to zero may automatically close that account. We are not liable for any draft, withdrawal or other order after an account has been closed. Any drafts presented after your account has been closed will be returned unpaid. We reserve the right to advise consumer reporting agencies and other third parties of accounts closed for misuse.

Inactive Accounts. The Credit Union will consider your account inactive after two years of no deposits, withdrawals, or transfers on your account. Dividends credited to your account by the Credit Union will not maintain an account in an active status. Your account may be subject to a monthly fee as set forth in our Fee Schedule. The Michigan Uniform Unclaimed Property Act requires the Credit Union to turn these funds over to the State after five years of inactivity. Before turning funds from inactive accounts over to the State of Michigan, the Credit Union will send notice as required by Michigan law advising you of your rights.

Statements. You may receive a periodic statement (monthly) for your Share Draft Account. You may receive a periodic statement (quarterly) for Share Savings Account only or other savings accounts unless you have an electronic funds transfer transaction during a monthly period, or a combined statement. Each such statement shall show the transactions on your accounts and any charges. We reserve the right not to send statements for accounts we consider inactive.

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

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 45 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the other paragraph of this section.

Agreement. This Agreement shall be effective and shall govern all savings and draft accounts with us. By signing a signature card, making deposits or withdrawals, or leaving amounts on deposit, you agree to the terms of this Agreement. This Agreement shall supersede all previous Agreements for such accounts. This Agreement shall be governed by the laws of the State of Michigan, except as superseded by federal laws and regulations. Any action brought against the Credit Union must be brought in the local State District Court or State Circuit Court in the jurisdiction of the Credit Union's main office in Oscoda, Michigan.

Amendment. We may change any of the items of this Agreement at any time without prior notice to you if the change is favorable to you. We may make changes that are adverse to you only if we provide you with any notice required by law or as required in this Agreement. You may close the account if you do not agree to the changes; if you continue to use the account or keep the account open after the effective date of such change, you will be deemed to have agreed to the changes.

Expenses and Attorneys' Fees. All owners of account(s) or service(s) with us agree, jointly and severally, to pay us for all costs and expenses, including attorneys' fees we may incur: (1) If it is necessary for us to bring any legal or other action to collect any sum you owe the Credit Union; (2) If we incur any costs or expense as a result of any order or instruction received from any owner or any owner's agent under this Agreement, any adverse claim, legal process, your failure to comply with any obligation in this Agreement, or otherwise; (3) If we incur any expense as a result of any dispute, adverse or inconsistent claims; (4) If we bring any action contemplated in this Agreement; (5) If we successfully defend any claim against the Credit Union brought by any owner, agent, personal representative, executor, heir or other party in interest brought via any formal or informal process (including but not limited to arbitration or mediation) involving your accounts or services with us; or (6) If we deem it necessary to seek the advice or opinion of legal counsel or other professionals regarding the bona fides or legality of any transaction(s) to/from your accounts or involving any services with us, or any request for information or documentation regarding any of your accounts and/or services with us. If you are responsible to pay us any costs of collection or legal expenses incurred in collecting any amount you owe; in enforcing or protecting our rights under this Agreement or otherwise; or as provided in this subsection, including but not limited to costs of repossession, repair, appraisal, and all other costs or expenses, you agree to pay us the actual amount of such costs and expenses together with reasonable attorneys' fees. In the case of any collection action you agree that 20% of the unpaid balance or such greater sum as may be appropriate based on the circumstances shall be a reasonable amount, unless applicable law specifically provides otherwise. Further, you agree to pay the Credit Union an additional sum for any costs, legal expenses or attorneys' fees incurred in any appellate, bankruptcy or post judgment proceedings, except as limited or prohibited by applicable law. Any costs, expenses or fees hereunder will be paid from any of your account(s) with the Credit Union before payment to any owner or other party. If the amounts in your account(s) are not sufficient, then the owner(s) of the affected account(s) or parties to any applicable services will immediately pay any difference.

Funds Availability. If you make a non-cash deposit into any share account other than a Share or Share Draft Account, that money may not be available to you right away. We will advise you when such funds will be available at the time you make such a deposit. We reserve the right to extend all such holds at our discretion. If you make a deposit by authorizing us to receive funds from another account (for example, from a savings account at another Credit Union or bank), that deposit will not be available, nor will it earn dividends, until we actually receive the funds. Refer to the Funds Availability Disclosure below for information regarding the availability of funds deposited into a Share or Share Draft Account.

Name or Address Changes. You are responsible for notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided us in writing. The Credit Union requires all name or address change notices to be in writing.

Notice of Amendments. Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you of any changes in terms or rates as required by law or as required in this Agreement. All notices regarding the account will be posted in our office lobbies or will be sent to you to the address shown on your statement. In the event of joint ownership, notice by or to any one joint depositor shall be deemed notice by or to all. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement. We reserve the right not to send notice for accounts we consider inactive. Notices to us should be sent to:

Northland Area Federal Credit Union
P.O. Box 519
Oscoda, MI 48750

Effect of Notice. Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address, or, if sent electronically, when we transmit the data to your last provided e-mail address. Notice to any account owner is considered notice to all account owners.

Indemnity. If by following your instructions we are exposed to a claim or suit by an adverse claimant, you shall hold us harmless and indemnify us from any such losses, expenses, liabilities or damages including actual attorney's fees. If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities or damages, whether directly or indirectly, we

may refuse to follow your instructions, or we may require a bond or other protections.

Severability. If any of this Agreement is found by any court or regulatory body of competent jurisdiction to be invalid or unenforceable in whole or in part for any reason whatsoever, the authority of the remaining provisions or portions hereof shall not be affected thereby.

Waiver. We may waive any of these provisions at our sole discretion, but any such waiver will apply only on that occasion. The Credit Union shall not be bound to waive the same provision or any other provision on another occasion.

Right of Offset. If you owe us money as a borrower, guarantor, endorser or otherwise, we have a statutory lien on the account funds in any account in which you have an ownership interest, regardless of the source, unless prohibited by law. We may apply these funds, without further notice to you, in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant the Credit Union a consensual security interest in your accounts and we may use the funds from your accounts to pay any debt or amount now or hereafter owed the Credit Union, except for obligations secured by your residence, unless prohibited by applicable law. All accounts are non-assignable and nontransferable to third parties. If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

Password Secrecy At the time you open your account you will be required to set up a unique password. This password will assist in verification of your identity (and anyone joint on the account) over the phone. You agree to keep your password secret and also agree you will not write the password on your account card or any item you keep with your card.

Telephone Requests. You agree (for joint accounts, all joint tenants agree jointly and severally) that funds in any of your accounts with us can be transferred, upon telephone request of any signer on the account. We shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Northland will use various means to verify your identity, including but not limited to verification of password and verification of confidential information. Furthermore, we may refuse to execute any telephone request or order. There may be a fee incurred for having a request pertaining to your account handled via telephone.

Facsimile Signatures. You agree (for joint accounts, all joint tenants agree jointly and severally) that the Credit Union may accept and rely on facsimiles of your signature(s) on any deposit or withdrawal form, order or other notices, requests or instructions regarding any account under this Agreement or with the Credit Union. We shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, we may refuse to execute any facsimile request or order.

Section Headings. Section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any of the provisions of this Agreement.

Unlawful Internet Enforcement Gambling Act. The Act “prohibits any person engaged in the business of betting or watering from knowingly accepting payments in connection with the participation of another person in unlawful internet gambling. By agreeing to Northland Area Federal Credit Union Membership Account Agreement, you as the business account owner certify that you do not engage in an Internet gambling business.

Multiple-Party Accounts. Any multiple-party account owner is authorized and deemed to act for the other owner(s) and we may accept orders and instructions regarding the account, requests for future services, and any transaction from any other account owner. Each multiple-party account owner guarantees the signature of the other owners. Any account owner may withdraw all funds in the account, stop payment of items drawn on an account, transfer, or pledge to us all or any part of the shares of any account without the consent of the other account owner(s) and we shall have no duty in such event to notify any other account owner(s).

If more than one person signs the signature card for a Share Account or other type of deposit account, you are creating, and intend to create, a joint tenancy with rights of survivorship in all accounts subject to this Agreement, unless otherwise expressly provided. That is, you as the owners of the account agree with yourselves and the Credit Union that all sums paid in shares or other deposits (as applicable), together with all accumulations, prior to now or hereafter, less setoffs as allowed by law for sums due the Credit Union by any party, shall be owned by all of you jointly with full right of survivorship, and shall be subject to withdrawal or receipt by any of you in whole or in part. Payment to any of you or the survivor(s) of you, or your personal representatives, administrators or assigns of the last survivor(s) of you, shall be valid and discharge the Credit Union from any liability for such payment and amount. Further, each joint owner is subject to the terms and disclosures of this Agreement.

We reserve the right at any time to require written consent of all account owners for a change of ownership or termination of a multiple-party account. If we receive written notice of a dispute between account owners or receive inconsistent instruction from them, we may: (1) suspend or terminate the account; (2) require an account owner to obtain a court order in order to take any action on a transaction; or (3) require that all account owners agree in writing to any transaction concerning the account.

If any item deposited in a multiple-party account is returned unpaid, an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple-party account owners is jointly and severally liable to us for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. If any account owner is indebted to us, we may enforce its rights against any or all funds in the multiple-party account regardless of who contributed the funds to the account.

Except as modified in this Agreement, joint accounts shall be subject to and governed by PA 41 of the Public Acts of 1968, as amended, being MCLA 490.51, and commonly known as the Credit Union Multiple-Party Accounts Act.

POD/Trust Account Designation. A Payable on Death (POD) account or trust account designation is an instruction to the Credit Union that a single or multiple party account so designated is payable to the owner(s) during his, her or their lifetimes and, when the last account owner dies, payable to any named and surviving POD or trust beneficiary/payee. Accounts payable to more than one surviving beneficiary/payee are owned jointly by such beneficiaries/payees without rights of survivorship. We are not obligated to notify any beneficiary/payee of the existence of any account or the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law.

Accounts for Minors. We may require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction.

Legal Process. If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. Any expenses or attorney fees we incur responding to the legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

Taxpayer Identification Numbers and Backup Withholding. Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest and certain other payments. If you fail to provide your TIN, we may suspend opening your account.

Special Account Instructions. You may request that we facilitate certain trust, will, or court ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or other protection. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be provided in writing and accepted by us.

Termination of Account. We 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 account or of the funds in the account; (4) any share drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account. We are not responsible for payment of any draft, withdrawal, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.

Termination of Membership. You may terminate your membership by giving us notice. You may be denied services or expelled for any reason allowed by applicable law, including causing a loss to the Credit Union.

Governing Law. This Agreement is governed by the Credit Union's Bylaws, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the State of Michigan, and local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union is located.

Member Identification Program. 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.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Negative Information Notice. We may report information about your account to consumer reporting agencies. Late payments, missed payments, or other defaults on your account may be reflected in your consumer report.

Electronic Fund Transfer Laws. This disclosure is provided to you as a member of Northland Area Federal Credit Union in compliance with federal and state laws relating to "electronic funds transfer." As a member of Northland Area Federal Credit Union, you agree to the following terms and conditions, which govern the use of such "electronic funds transfer" and the Automatic Teller Machine (ATM).

Accounts Affected – Each of the following types of accounts in the credit union can be subject to some kind of "electronic funds transfer" services:

- Regular Savings
- Individual Retirement Accounts

- Checking Accounts
- Christmas Club Accounts
- Name It Yourself Accounts
- Loans

Minimum Balance – You must always maintain a minimum balance of \$5.00 in a regular savings account to be entitled to make "electronic funds transfers" affecting your account (s). We reserve the right to increase minimum balance requirements or to impose other restrictions in the future, but if we do so, we will give you at least 30 days advance written notice.

The Following Sections Relate To All "Electronic Funds Transfers" Affecting Your Accounts, Whether Made By Use Of An Atm, A Point Of Sale Terminal, A Personal Computer Or Otherwise.

An "electronic fund transfer" (EFT) is any transfer of funds that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit a checking, savings, or other consumer asset account. The term includes transactions such as point-of-sale transfers, automated teller machine (ATM) transfers, direct deposits or withdrawals of funds, telephone transfers, and transfers resulting from debit card transactions (whether or not initiated through an electronic terminal), and transfers initiated through our home banking service. It also includes transfers through an automated clearing house when you provide a share draft to certain merchants or other payees that enables the merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer, whether the share draft is blank, partially completed, or fully completed and signed; whether the share draft is presented at Point-of-Sale, "POS" or is mailed to a merchant or other payee or lockbox and later converted to an electronic fund transfer, or whether the share draft is retained by the consumer, the merchant or other payee, or the payee's financial institution. Your authorization to the merchant to convert such transactions into electronic funds transfers may be expressed in writing or implied, for example, by the posting of a sign where a payment is made. Except as described above, specifically excluded from the definition of EFT are payments initiated by check, draft, or other paper instruments like share drafts, including any payment made by check, draft, or similar paper instrument.

You agree not to use your NAFCU ATM/Debit Card or Home Banking for a transaction that would cause your account balance to go below zero, or that would go above any credit line, which may be attached to your account. The Credit Union will not be required to complete any such transaction, but if we do so, you agree to pay the Credit Union the amount of the improper withdrawal or transfer upon our request, together with any cost associated with such transaction.

You also authorize us, in these cases; to apply from any other share or accounts you may have in the Credit Union such amounts as may be necessary to pay this overdraft amount and applicable charges.

"Electronic Funds Transfer" Services Available: At the present time you can authorize the following types of "electronic funds transfer" to or from your account(s) in the Credit Union:

Home Banking: If we issue you a PIN, you can use it to make any and all of the following "electronic funds transfers" utilizing Home Banking via personal computer.

- Transfers between your Share, Checking, Christmas Club and/or Vacation Club account(s).
- Transfers from your Share or Checking account (s) to your loan account (s) to make a loan payment.
- Transfers to third parties through use of our Bill Pay System.

In addition, you can use the PIN to make any and all of the following transactions (which are not "electronic funds transfer") utilizing Home Banking via personal computer:

- Inquire of balances and available balances in your Share, Checking, High-Yield Deposit, Christmas Club, Vacation Club, IRA and/or Certificates of Deposit account(s).
- Inquire of loan balances, next loan payment due dates and amounts.
- Inquire if certain checks have cleared your Checking Account.
- View and/or print a history of your account(s).

Atm/Debit Card Services: The NAFCU ATM/DEBIT card can be used both as a point-of-sale payment device and as an access device at an ATM which is a part of an electronic funds transfer service network to which the Credit Union belongs, and as a point-of-sale device at MasterCard merchants worldwide. A directory is available from the Credit Union of all available ATM locations in your area. Some of these services may not be available at all terminals.

- Deposits to your Share and Checking Account(s)
- Cash withdrawals from your Share and Checking Account(s).
- Transfers (non-cash) between your Share and Checking Account(s).
- As a means of payment to merchants who have arranged to accept your card.
- Cash disbursements from financial institutions displaying the MasterCard logo.
- Shop over the telephone with merchants accepting payment with MasterCard. Pay bills directly from your checking account in the

amounts and on the days that request.

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

Fees for ATM Transactions – Northland may charge you fee for each ATM transaction made at an ATM machine not owned by Northland. The ATM operator (other than Northland) may also charge you a fee (surcharge) for using their machine. Northland may charge you a fee for each account inquiry. See our fee schedule for details.

There is no surcharge for NAFCU members to use an ATM machine owned by NAFCU when using a Northland ATM/DEBIT.

Your ATM/DEBIT is furnished without charge. We reserve the right to increase charges and agree to give you at least 30 days written notice before implementing the change.

Documentation of Transfers – You will get a statement of each account for every month in which an "electronic funds transfer" occurs, and you will receive such a statement at least quarterly, even if no "electronic funds transfer" occurred during the period.

You may receive a transaction receipt at the time you make any transfer to or from your account using an automated teller machine.

If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 800-336-2328 to find out whether or not the deposit has been made.

Disclosure of Information to Third Parties – We will disclose information to third parties about your account or the transfer you make:

1. With your written consent.
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant.
3. When it is necessary to complete the transfer.
4. To verify information regarding the improper or unauthorized use of your account.
5. In order to comply with a government agency or court order.
6. Where otherwise provided by law.

Right to Stop Payments and Procedure for Doing So.

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Please see fee schedule for current fees. Here's how:

Call us or write us at the phone number or address below in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. The phone number and address for this purpose is:

(800)336-2328

Send written requests to:

Northland Area Federal Credit Union

P.O. Box 519

Oscoda, MI 48750

If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

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

Errors – In case of error or questions about your electronic funds transfer write to us at:

Northland Area Federal Credit Union

P.O. Box 519

Oscoda, MI 48750

Or telephone us at **800-336-2328**

as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appears.

1. Tell us your name and account number.
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we require that you send us your complaint or question in writing within 10 business days. We will determine whether an error has occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do that, we will provisionally credit your account within 10 business days (20 business days if your account has been opened for 30 days or less) for the amount you think is in error. This provisional credit enables you to have the use of the money during the time it takes us to complete our investigation. If the error concerns an electronic fund transfer that is (1) a foreign-initiated transaction, (2) a point-of-sale debit card transaction, or (3) a transaction occurring within the first 30 days after deposit to a new account, a 90-day investigation period in place of 45 days will apply. Please note that if we ask you to put your complaint or question in writing and we do not receive it within 10 business days of our request, we may not credit your account.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

Financial Institution Liability. If we do not complete the "electronic funds transfer" to or from your account on time or in the correct amount according to our agreements with you, we may be liable for your losses or damages. However, there are some exceptions. We will not be liable for:

1. If through no fault of ours, you do not have enough money in your account to make the transfer.
2. If there is not enough money in your account, in excess of amounts you have specifically pledged to us as collateral, to make the transfer.
3. If there are not enough good funds in your account to make the transfer.
4. If funds in your account are subject to garnishment or other legal process which prevents the completion of the transfer.
5. If we have, because of your default, exercised our rights against the funds in your account pursuant to a pledge of funds you have given.
6. If circumstances beyond our control prevent the transfer, despite reasonable precautions that we have taken.
7. If you fail to observe the terms and conditions of this agreement with us, which relate to "electronic funds transfer".
8. There may be other exceptions stated in our agreement with you.

Unauthorized Use – If you believe your ATM/DEBIT has been lost or stolen or that someone has transferred money from your account without your permission or may be about to do so, call (800)336-2328, (800)-754-4128 or write:

Northland Area Federal Credit Union
PO Box 519
Oscoda, MI 48750

Tell us at once if you believe your transaction card has been lost or stolen. A phone call will be your best protection against losing all the money in your account. If you notify us within two (2) business days after your learn of the loss or theft, you can lose no more than \$50.00 if someone used your ATM/Debit Card or Home Banking without your permission.

If you do not tell us within two (2) business days after you learn of the loss or theft of your card, you could lose as much as \$500.00.

Business Days – Our business days are Monday through Friday, holidays not included.

Regulatory Agency – If you believe we may have violated the Michigan law regulating "electronic funds transfer" (Michigan Public Act NO. 322 of 1978), you may contact:

Division of Consumer Affairs
National Credit Union Administration
1775 Duke Street, Alexandria
Virginia 22314-3428

Amendments – The credit union may at any time change or repeal these terms and conditions. You will be notified of any amendment in the manner provided in the terms and conditions governing your account, except as otherwise required by law.

Card Ownership – All transaction cards and PINs we provide remain the property of the credit union. If this agreement is terminated, you agree to surrender the card to us.

Secrecy of PIN – If we issued a PIN to you, you agree to keep your PIN secret and also agree you will not write the PIN on your transaction card or any item you keep with your card

Limitations on "electronic funds transfers" - There is no limitation on the number or dollar amount of a deposit or payment transaction you may make at a machine in a 24 hour operating cycle. However, to protect against possible losses, your transaction card will only allow you to access your account for \$1,510.00 (or \$510.00 if system is off line) cumulatively by withdrawal or purchase.

We reserve the right to change these limitations, and we will give you notice of any such changes at least 30 days in advance.

Illegal Use. You understand and agree that you may not use any of our electronic fund transfer services for any illegal purposes.

Responsibility of Overdraft – If you obtain cash to make a purchase which creates an overdraft in your share account, the overdraft amount is due and payable the moment you get it. Funds will be transferred from the share account first and from the Line of Credit second. A transfer fee may be assessed. If no funds are available on the Line of Credit you agree to pay the full amount of it to us, together with an overdraft charge; you also authorize us, in such a case, to apply from any other shares (or deposits) you may have in the credit union, such amount as may be necessary to cover the overdraft amount.

We reserve the right, at our discretion, to terminate this agreement if you make one (1) or more withdrawals using your transaction card from an account(s), which through no fault of ours has insufficient funds to cover the transaction. Upon termination of this agreement, we will cancel your transaction card, and you agree to surrender the card(s) to us.

Crediting of Deposits and Payments – Deposits or payments made in an Automated Teller Machine, whether in cash, check, draft, or money order are subject to verification and the posting of such deposits and payments to share, share draft, or loan accounts may be delayed until they can be collected from the machine, verified and entered into our accounting system. Further delay may occur if the transaction is made on or immediately prior to a Saturday, Sunday, or holiday on which we are closed. If you place a check or money order in the machine as a deposit or payment, it is subject to collection in accordance with your account agreement with us.

Consumer Liability – Tell us at once if you believe your transaction card has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You can lose all the money in your account (plus maximum overdraft line of credit). If you believe your card has been lost or stolen and you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50.00 if someone used your card without your permission.

If you do not tell us within two (2) business days after you learn of the loss or theft of your card, and we can prove we could have stopped someone from using your card without your permission if you had told us, you could lose as much as \$500.00.

Other than your designated authorized user, you agree **NOT** to let someone else use the Card. If you do, you are agreeing with us that you authorize **ALL** use that person makes of the Card.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or hospital stay) kept you from telling us, we may extend the time periods.

Termination of Prior Agreements – This disclosure terminates and takes the place of any earlier Northland Area Federal Credit Union EFT disclosure (agreement) previously furnished to you 21 days after we mail this disclosure to you.

Funds Availability. The following information describes the Credit Union's policy of holding items deposited into a Share or Share Draft Account (also known as "transaction accounts") before funds are made available to you for withdrawal. This is what is called a Funds Availability Policy. Generally, transaction accounts are accounts which would permit an unlimited number of payments by check or other order to third persons, and also an unlimited number of telephone and preauthorized transfers to third persons or other accounts you may have with us. Funds availability policies for accounts that are not transaction accounts are described elsewhere in this Agreement.

General Policy. Our policy is to make funds from your deposits into your Share Draft Account available to you immediately upon our receipt. Electronic direct deposits will also be available on the day we receive the deposit. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Reservation of Right to Hold.

In some cases, we will not make all of the funds that you deposit by check available to you immediately upon our receipt. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. However, the first \$100.00 of your deposit will be available on the first business day following the day of your deposit. For determining the availability of your deposit, every day is a business day, except Saturdays, Sundays and holidays.

If your deposit is made directly to one of our employees, and if we are not going to make all of the funds from your deposit available immediately, 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.

Longer Delays May Apply.

In addition, funds you deposited 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 \$5000.00.

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 communications or computer 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 11th business day. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Holds on Other Funds. If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. These funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw from a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Deposits at Nonproprietary ATMs. Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate may not be available until the fifth business day of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

Foreign Checks. Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. The availability of funds for deposits of foreign checks may be delayed for the time it takes us to collect the funds from the financial institution upon which it is drawn.

Wire Transfer Agreement and Notification Uniform Commercial Code Article 4A

The following rules shall apply to all wire transfer services provided by the Credit Union.

Northland Area Federal Credit Union may accept, on your behalf, payments to your account that have been submitted by Fedwire. Your rights and obligations with respect to such transfers shall be governed and construed in accordance with Regulation J, Subpart B – Funds Transfers Through Fedwire. These regulations and state law are applicable to funds transfers involving your account.

If you give us a payment order that identifies a beneficiary (the person to whom you are wiring funds) by name and account or some other identifying number (such as a Social Security, Taxpayer I.D. or drivers license number), we may pay the beneficiary on the basis of the number provided to us by you and consider that number to be proper identification. This will be true even if the number you provided to us identifies a person different from the named beneficiary, unless otherwise provided by law or regulation.

If you give us a payment order that identifies the beneficiary's financial institution in the funds transfer by name and Routing and Transit ("R/T") or other identifying number, we, as well as the receiving institution, may rely on the number provided to us by you as the proper identification. This will be true even if the number provided identifies a financial institution that is different from the named financial institution, unless otherwise provided by law or regulation. Therefore, it is in your best interest to contact the receiving institution to acquire the appropriate wire transfer instructions so that you may feel confident that your money will arrive safely. You, the member, are ultimately responsible for providing accurate information regarding funds transfers and are consequently liable for any losses or expenses should an error occur.

You may not be provided with separate notification each time we receive a wire transfer into your account. We will provide you with notification of an incoming wire transfer as part of your periodic statement. In the event we accept such payments to your account through one or more Automated Clearing Houses ("ACH"), the operating rules of the National Automated Clearing House Association ("NACHA") will be applicable to ACH transactions involving your account. These rules do not require that we provide you with next day notice of receipt of an ACH item. Therefore, we will provide you with notification of the receipt of these items as part of your periodic statement.

In addition, if we are ever obligated to pay interest on the amount of the transfer, you will be paid interest on a daily basis equal to the current dividend rate that is otherwise applicable to the account from which the funds transfer should have occurred. In the event we are ever liable to you for damages due to a transfer, your damages will be limited to actual damages only. We will not be responsible for incidental or consequential damages, court costs or attorneys fees, unless otherwise provided by law or regulation.

We may accept, on your behalf, payments to your account, which have been transmitted through one or more Automated Clearing Houses and are not subject to the Electronic Funds Transfer Act ("Regulation E"). Your rights and obligations with respect to such payments shall be governed and construed in accordance with the applicable Federal Reserve Bank Operating Circular. Whenever an ACH is used as part of a transaction, its rules will govern that part of the transaction. Where none of the above stated rules apply, the transactions contemplated by this Agreement shall be governed by the laws of the State of Michigan, including Article 4A of the Michigan Uniform Commercial Code.

Credit given by us to you with respect to an ACH entry is provisional until we receive final settlement for the credit entry through a Federal Reserve Bank. If we do not receive final settlement, you are hereby notified that we are entitled to a refund of the amount credited to you in connection with the credit entry. Moreover, you are hereby notified that the party making payment to you (originator) shall not be deemed to have paid you the amount of the credit entry.

Security Procedure. You represent that you have considered the security procedures of the various EFT services provided by the Credit Union and find that they are commercially reasonable for verifying that a transfer or other communication purporting to have

been issued by you is, in fact, yours. In reaching this determination, you have considered the size, type and frequency of transfers or other communications that you anticipate issuing to the Credit Union through the use of EFT services. If, in your judgment, the Northland Area Federal Credit Union security procedures are not commercially reasonable, or if the size, type and frequency of your transfers change, and the result is that Northland Area Federal Credit Union security procedures cease to be commercially reasonable, you must inform us within 30 days.

Bill Pay Disclosure

Access to Bill Payment is made available pursuant to a license agreement by and between Northland Area Federal Credit Union, Cavion Plus, and Mid-Atlantic Corporate Credit Union. Any interruption of service or access caused by Cavion Plus will also prevent your use of the service.

Bill Payments and Transfers may be processed in three different transaction modes. They are as follows:

1. **"Today"**. If you designate a payment or transfer as a "Today" transaction, the Scheduled Initiation Date will be the next business day.
2. **"Future"**. If you designate a Bill Payment or Transfer as a "Future" transaction, you may request that the transaction be made on a future date that you may designate up to 364 days in advance of the Scheduled Initiation Date. The processing date will be the effective date entered, or the next business day should the effective date fall on a weekend or holiday. Sufficient funds must be available by midnight of the night before the processing date, but will be deducted from your designated account on the Scheduled Initiation Date. "Future" transactions may be canceled or changed until 12:00 midnight before the Scheduled Initiation Date.
3. **"Recurring"**. If you designate a Bill Payment or Transfer as a "Recurring" transaction, you may request, and Northland Area Federal Credit Union will use, a Scheduled Initiation Date that reoccurs on a specified regular basis (i.e. weekly, bi-weekly, monthly, etc.) You will designate a "start" and "end" date. Sufficient funds must be available by midnight of the night before the Scheduled Initiation Date, but will be deducted from your share draft account on the Scheduled Initiation Date. "Recurring" transactions may be canceled or changed until 12:00 midnight of the night before the Scheduled Initiation Date.
4. **Account Designation and Payees:** Bill payments you make through Bill Payment will be deducted from your share draft account. You may utilize Bill Payment to make payment to an unlimited number of payees. Any payee you wish to pay through Bill Payment must be payable in U.S. Dollars and located within the United States. Each payee must appear on the payee list you create with us and the account you are paying with must be in your name. You may not use Bill Payment to make payments to a federal, state or local governmental, or tax agencies, or to other categories of payee that we establish from time to time. The maximum dollar amount per Bill Payment is \$9,999.99. When creating a new payee, verify all information is correct. Any errors may cause the transaction to be returned, and it is your responsibility to correct and resubmit any returned payments or transactions.
5. **Processing:** Funds will be taken out of your designated share draft account (on the Scheduled Initiation Date entered by you) and transferred to a Northland Area Federal Credit Union holding account. In many cases, your Bill Payments are electronically delivered to the payee within two business days of the Scheduled Initiation Date. However, some payees are not set up to accept electronic payments. In these cases, a check will be sent, which may take five business days to process and deliver to the payee.

You must allow sufficient time (10 business days) for Bill Payment to receive your request and process the Bill Payments so that the funds can be delivered to the payee before the payment due date, or for mortgage payments, on or before the due date (the due date shown on your invoice or provided in your agreement with the payee, not taking into account any grace period provided by the payee). If you do not allow sufficient time, you will assume full responsibility for all late fees, finance charges, or other action taken by the payee. In all cases, you are responsible for either making alternate arrangements for the payment, or rescheduling the payment through Bill Payment.

Documentation And Verification Of Transfers And Payments

1. **Confirmation Numbers:** Upon completion of a transaction using Bill Payment, a confirmation number will be given. You should record this number along with the payee, scheduled date and transaction amount in your checkbook register (or other permanent record), because this will help in resolving any problems that may occur. No printed receipts are issued through Bill Payment.
2. **Periodic Statements:** Information concerning Bill Payment transactions will be shown on your normal statement for the account to and from which transfers or payments are made. You will get a statement monthly, unless there are no electronic funds transfers in a particular month. In any case, you will get a statement at least quarterly.

Authorization To Charge Accounts You authorize us to charge your designated account(s) for any transactions accomplished through the use of Bill Payment, including the amount of any payment or transfer you make, and for charges for the service. You understand that in adding a payee or maintaining a payee list, even if no payments are scheduled, you are electing to use the full Home Banking and Bill Payment service and therefore will be charged accordingly. You authorize us to process Bill Payments and to transfer funds according to the instructions we receive if the instructions are received from you through Bill Payment. You authorize us to initiate any reversing entry or reversing file, and to debit your accounts at Northland Area Federal Credit Union, in order to correct any mistaken credit entry. You understand that if a Bill Payment or transfer request describes the beneficiary inconsistently by name and account number, execution of the request will occur on the basis of the account number, even if it identifies a person different from the named beneficiary. Your obligation to pay the amount of the Bill Payment or Transfer is not excused in such circumstances. In the event the Bill Payment can not be paid a \$5.00 Merchant Return Fee will be charged to your share draft account

for each returned transaction.

Consumer's Liability For Unauthorized Transfers; Advisability Of Prompt Reporting & Telephone And Address For Notification

You may authorize the JOINT OWNERS of your account to access the Northland Area Federal Credit Union Home Banking and Bill Payment by disclosing your PIN to them. You understand and agree that the PIN grants them access to all share and loan sub-accounts on your account and you agree to be responsible for all transactions initiated by the PIN. In addition to your liability for any indebtedness created through the use of Home Banking and Bill Payment privileges, the credit union may at its sole option hold a user of the Home Banking and Bill Payment systems, if other than you, liable for any indebtedness charged to your account(s) through the use of Home Banking and Bill Payment. The obligation of two or more parties will be joint and several. All signers on the account will be equally responsible for any such charges.

- Tell us at once if you believe your PIN has been lost or stolen, that someone has transferred or may transfer money from your account without your permission, or that any other unauthorized electronic fund transfer has been or may be made, you agree to immediately call or write:
Northland Area Federal Credit Union
P.O. Box 519
Oscoda, MI 48750
(989) 739-1401 or 1-800-336-2328
- Telephoning is the best way of keeping your possible losses down. You could lose all of the money in your account, plus your maximum on your line of credit or Home equity line of credit.
- If you do **NOT** tell us within two (2) business days after you learn of the loss or theft of your PIN, and we can establish we could have stopped someone from using your PIN without your permission, if you had told us, you could lose as much as \$500.00.
- If your monthly statement from us shows transfers you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can establish we could have stopped someone from taking the money if you had told us in time. If a good reason, such as a long trip or hospital stay, kept you from telling us, we may extend the time period.

Privacy Statement

Northland Area Federal Credit Union is committed to protecting your privacy. We are required by law to provide this notice to you for the purpose of explaining our policies and practices with respect to protecting the confidentiality and security of nonpublic personal information. We recognize the importance of protecting the personal information of our members and potential members. Our obligation is to keep the information you provide to us secure and confidential.

Information We Collect When you apply for a Credit Union account or service, we collect personal information about you - some of which is "nonpublic." The nonpublic personal information we collect varies depending on the product or service you obtain. We collect nonpublic personal information about you from the following sources:

Information we receive from you on applications or other forms (such as name, address, age, Social Security Number, taxpayer ID number, etc.)

Information about your transactions with us, our affiliates, or other nonaffiliated third parties (such as account balance, payment history, credit card usage, etc.)

Information we receive from consumer reporting agencies (such as credit history)

We may disclose all of the information we collect, as described above.

Use and Sharing of Private Information. Northland Area Federal Credit Union is dedicated to building strong partner relationships so that together, we may offer a wide array of competitive financial products and services to our members. We structure these relationships to protect nonpublic personal information.

In order to conduct our business, we also disclose nonpublic personal information to other nonaffiliated third parties, but only as necessary to administer products and services we provide or as required or permitted by law. If you decide to terminate your membership with Northland Area Federal Credit Union, we will not share information we have collected about you, except as may be permitted or required by law.

How to Opt-Out or Stop Certain Disclosures About You. If you prefer that we do not disclose nonpublic personal information about you to nonaffiliated third parties, you may opt-out of these disclosures. You may direct us not to make these disclosures (other than disclosures permitted by law). If you wish to opt-out of disclosures to nonaffiliated third parties, you may call the following toll free number: (800) 336-2328.

Information We Disclose. As permitted by law, we may disclose nonpublic personal information we collect about you (e.g., information from applications, transactions, or consumer reporting agencies) to third parties. The types of companies that we may

disclose information to are:

- The companies that we use to provide financial products or services that may be of interest to you, such as insurance companies and mortgage service companies.
- Non-financial companies who complete a transaction that is either initiated by the member, or is needed to maintain a service, such as check printers, or the servicing company of Northland Area Federal Credit Union's website, who may collect "cookies" (nonpublic personal information) from website users.
- Companies that perform marketing or those with which we have joint marketing agreements. These third parties are nonaffiliated companies who perform marketing services for the Credit Union on our behalf, including marketing our own products or services, or those offered jointly by the Credit Union and another financial institution. We protect your information by conducting business only with companies that have contractually agreed to stringent confidentiality provisions that restrict the release and use of such information.

Protection and Security of Your Private Information.

We restrict access to private information about you only to those employees and members of our Official Family who have a specific business purpose for accessing and utilizing this information. Our employees and members of our Official Family are trained in the importance of maintaining confidentiality and member privacy.

We maintain physical, electronic and procedural safeguards as part of a comprehensive risk management system that complies with federal regulations to protect against anticipated threats or hazards to the security of your information and to protect against unauthorized access and use of that information. Protecting your privacy is an ongoing process.

We will continue to review the measures we take to safeguard your private information. These reviews will result in new measures to protect member records, as the Credit Union makes changes to its information security practices and other internal control systems to take advantage of new technology.

REV. October 20, 2009