

# MESQUITE CREDIT UNION MEMBERSHIP AND ACCOUNT AGREEMENT AND FUNDS AVAILABILITY POLICY

## MEMBERSHIP AND ACCOUNT AGREEMENT

In this Agreement, the words "you," "your," "party," and "Owner" mean any person or entity who signs a Membership Services Application, or any other application in connection with the opening of any Account with Mesquite Credit Union, any such person or entity who maintains an Account with us, or any other person or entity authorized to use or having access to any such Account. The words "we," "us," "our," and "Credit Union" mean Mesquite Credit Union.

In this Agreement, and in your Truth in Savings Account Disclosures and Rate and Fee Schedules, the term "Savings Account" is used to describe your Share Accounts with us, and the term "Checking Account" is used to describe your Share Draft Accounts with us.

You authorize us to establish one or more Accounts for you or on behalf of third parties you have designated in your Membership Services Application or in any other Account application or other authorization you may execute with us (collectively, the "Application"), including but not limited to any Savings Account, Checking Account, any Money Market Account, and any Certificate of Deposit Account. By opening or using any such Account, you agree to be bound by the terms of this Agreement whether you are acting in your individual capacity, in a fiduciary capacity, or in your capacity as an officer, agent, or representative of any business entity or association. You also acknowledge receipt of and agree to be bound by our Truth in Savings Account Disclosures and Rate and Fee Schedules as amended from time to time and to conform to our rules, regulations, bylaws, and policies now in effect and as amended or adopted hereafter. In case of any conflict between the terms of this Account Agreement and the disclosures set forth in the Truth in Savings Account Disclosures and Rate and Fee Schedules, the disclosures appearing in the Truth in Savings Disclosures will control. The Truth in Savings Account Disclosures and Rate and Fee Schedules are incorporated into this Agreement. This Agreement is incorporated into and made a part of any Application or other document you execute or receive in connection with the opening or use of any Account. Unless this Agreement or any other account agreement you have with us specifically provides otherwise, this Agreement supersedes any other account agreement you may have with us, and in the event of any conflict between the provisions of this Agreement and any other such agreement, the terms and conditions set forth in this Agreement will control.

### TRUTH-IN-SAVINGS DISCLOSURES

Truth-in-Savings Disclosures that apply to each of your Accounts, including the dividend rate or interest rate and the annual percentage yield on your Accounts, are set out on the Truth in Savings Account Disclosures and Rate and Fee Schedules that accompany this Account Agreement.

### ACCOUNT OWNERSHIP

1. **Single Party Accounts.** Under this type of Account ownership, the sole party to the Account owns the Account. If you open a Single Party Account, upon your death and absent any Payable on Death (P.O.D.) designation, ownership of the Account passes as part of your estate under your will or by intestacy. If you make a valid P.O.D. designation and the P.O.D. beneficiaries survive you, then upon your death, ownership of the Account passes to the P.O.D. beneficiaries of the Account and the Account does not pass as part of your estate.

2. **Joint or Multiple Party Accounts.**

If an Account is opened by two or more parties, or if one or more parties are added to a Single Party Account after the Account is opened, the Account will be a Joint or Multiple Party Account. The parties to the Account own the Account in proportion to the parties' net contributions to the Account. Payment to any party shall be valid and discharge the Credit Union from any and all liability for such payment. The Credit Union may accept instructions from any party or act at the request of any party with regard to any such Account without the consent of any other party to the Account. Each party authorizes all other parties to the Account to act on his or her behalf with respect to the Account and to endorse any instrument payable to him or her for deposit to any such Account. Without the consent or joinder of any other party and without regard to the interest in the Account of any other party, any party to the Account may (i) make deposits to or withdraw funds from the Account, (ii) place stop payment orders with respect to any items drawn on the Account by any

party to the Account, (iii) pledge all of the shares or deposits in an Account to secure any indebtedness owing to us, or (iv) designate an Account to provide overdraft protection for any other Account. In the event that any Account may be accessed by means of an electronic fund transfer, including the use of an ATM card or debit card issued in connection with the Account or any telephone or computer access program, each party grants to every other party actual authority to initiate any such transfer, to use any such ATM or debit card issued, or to use any Personal Identification Number ("PIN") issued in connection with any such telephone or computer access program.

A member in whose name a Joint or Multiple Party Account is opened who designates other parties to own the Account jointly may, without notice to any other party of such Account and upon written notice to the Credit Union in such form as the Credit Union may require, change the form of the Account, add parties to the Account, or remove any parties from the Account. Any such action by that member will terminate any interest that the removed party may have in such Account. At its option, the Credit Union may require that an Account be closed and a new Account opened in lieu of permitting a member to remove any party from the Account, or the Credit Union may require the consent of any party prior to acting upon any written notification or instruction by a member to remove that party from an Account. No other party to a multiple party Account may make any such change, addition, or deletion, and no other party to a Joint or Multiple Party Account may close the Account or withdraw funds from the member's Regular Savings Account below the par value of one share. The parties agree that the Credit Union may pay funds in any Joint or Multiple Party Account to or on the order of any party, regardless of whether any other parties are incapacitated or deceased. The Credit Union makes no representation concerning the legal consequences or effectiveness of the survivorship rights described below, including any consequences arising out of the community property laws of any state and you agree to hold us harmless from any loss or liability in connection with any survivorship designation. You understand that you should consult with your attorney if you have any question regarding the validity, effectiveness, or fitness of any such survivorship designation for any purpose.

**(a) Joint or Multiple Party Accounts with Right of Survivorship.** An Account will be a Joint or Multiple Party Account With Right of Survivorship if you have so elected and indicated on any Application or if any such instrument otherwise represents that the Account is held jointly with right of survivorship. All funds deposited into any such Account, including any earnings thereon, shall be owned by the parties jointly with all others who signed the Application, with right of survivorship. On the death of a party, all sums in the Account on the date of the death vest in and belong to the surviving party or parties as their separate property and estate.

**(b) Joint or Multiple Party Accounts without Right of Survivorship.** An Account will be a Joint or Multiple Party Account without Right of Survivorship if you have so indicated on any Application or if any such instrument otherwise fails to expressly indicate that the Account is held jointly with right of survivorship. On the death of a party, the party's ownership of the Account passes as part of the party's estate under the party's Will or by intestacy.

**3. Payable on Death (P.O.D.) Accounts.** A P.O.D. Account is an Account payable on request to one or more persons during their lifetimes and, upon the death of the last of those persons, payable to one or more P.O.D. payees named in the Application executed in connection with the Account. You agree that the persons named as P.O.D. payees in any Application or Payable on Death Agreement, whether one or more are designated as P.O.D. payees. During your lifetime, all funds paid into or deposited into the designated Account, including any earnings thereon, shall be owned by you, and payment may be made upon your request, or the request of any party to the Account. If there is more than one Owner and the Account is a Joint or Multiple Party Account with Right of Survivorship, then during your lifetimes the provisions set forth above with regard to Joint or Multiple Party Accounts with Right of Survivorship shall control. Upon your death (the death of the last of you to survive), each P.O.D. payee agrees that all such funds shall be owned by the P.O.D. payees surviving with right of survivorship. Payment may be made at the request of any named P.O.D. payee then living, and any payment made upon the request of any surviving P.O.D. payee discharges us from any and all liability to that P.O.D. payee and any remaining P.O.D. payees or their heirs, executors, and personal representatives. You, your heirs, executors, and personal representatives agree to defend, indemnify, and hold us harmless from any claim asserted by any person or estate as a result of the payment of funds deposited in the Account designated. You understand and agree that a P.O.D. designation shall be ineffective with respect to any Account held in an Individual Retirement Account. You understand and agree, further, that a P.O.D. designation may be ineffective unless signed by all original parties to the Account. We make no representation concerning the legal consequences or effect of any P.O.D. designation, and you understand that you should consult with your attorney if you have any question regarding the validity or effectiveness of any such P.O.D. designation for any purpose.

**4. Accounts for Trusts.** At our option, we may issue shares or accept deposits in the name of a revocable or irrevocable trust subject to such membership requirements as we may impose from time to time in keeping with applicable law. If you request that we open an Account in the name of a trust, you agree that we are authorized to release the funds in any such Account upon the signature of any Trustee. You agree that if we make payment to any Trustee or Successor

Trustee, or at the direction of any one of the Trustees or Successor Trustees named, that payment shall be valid and shall discharge us from any liability for the sums paid. Any Trustee authorized to sign on any such Account shall be subject to the terms and conditions set forth in this Account Agreement and any other agreement governing any such Account. You agree that we shall have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations set forth in this Agreement, and that we shall serve solely as a depository for the trust funds. You and any Trustee agree to save, indemnify, defend, and hold us harmless from any claim, demand, suit, or other charge by any person arising out of or resulting from the establishment, maintenance, and transaction of any business related to the trust and any Account established for the trust.

5. **Minor Accounts.** We may open an Account for a minor, receive payment or pay withdrawals on the Account by or for a minor, and act in any other matter on the order of the minor without regard to the minor's capacity, and we are discharged from liability to the extent of any such actions. We reserve the right to require that a minor Account be jointly owned by an adult. Unless a parent or guardian is a joint owner on a minor Account, the parent or guardian shall have no rights to access or obtain information about the Account. Even if a parent, guardian, or another adult is a joint owner on a minor Account, the minor has the right at any time to withdraw the Account funds and close the Account. We are under no duty to inquire about the propriety of any transaction. When the minor reaches the age of majority, we will not change the ownership of the Account unless all of the Account Owners authorize us to do so.

6. **Uniform Transfers to Minors Act Accounts.** At our option, we may issue shares and accept deposits in Accounts established by a custodian under the Texas Uniform Transfers to Minors Act ("TUTMA"). A TUTMA Account is owned by the minor, and amounts deposited into the Account constitute an irrevocable gift to that minor. The custodian named is the sole party entitled to access the Account for the minor's benefit. We have no duty to (a) determine if the person designated or acting as custodian has been duly designated, (b) determine if an act of the custodian is in accordance with or authorized by the Texas Uniform Transfers to Minors Act, (c) question the validity or propriety of any instrument or any instructions executed or given by a person acting as a donor or custodian or (d) oversee the application by a custodian of money or other property.

7. **Accounts for Guardianships and Estates.** At our option we may issue shares and accept deposits in the name of (a) a ward on whose behalf a Guardianship has been established under applicable law, or (b) the estate of a deceased member being administered under applicable law. Any guardian or estate representative (whether executor, administrator or otherwise) authorized to sign on any such Account shall be subject to the terms and conditions set forth in this Account Agreement and any other Agreement governing any such Account. You agree that we will have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations otherwise set forth in this Agreement and you agree that we will not be liable for any loss occasioned by the fraud, negligence, or misapplication of funds by the guardian or estate representative. If we are presented with Letters of Guardianship, Letters Testamentary, or Letters of Administration valid on their face, you agree that we will have no further duty (a) to determine if the person appointed guardian or estate representative has qualified or continues to be qualified as guardian or as estate representative, (b) to determine if an act of the guardian or estate representative is in accordance with or authorized by the Texas Probate Code or other applicable law, (c) to question the validity or propriety of any instrument or any instructions executed or given by a person acting as a guardian or estate representative, or (d) to oversee the administration by a guardian or estate representative of money or other property paid or delivered to him or her. You agree that we may rely upon Letters of Guardianship, Letters Testamentary, or Letters of Administration that are valid upon presentment, that we may continue to rely upon the same without inquiring into their expiration or renewal, and that we may assume their renewal unless notified to the contrary. Further, you agree that we will have no obligation to recognize or honor any such Letters that we know to have expired without renewal pursuant to the provisions of the Texas Probate Code or other applicable law. If we receive notice of expiration without renewal, we will have no obligation to honor any check that is presented for payment or to honor any requests for withdrawal of funds from the Account of a ward or an estate until we receive renewed Letters or another order issuing out of a Court of competent jurisdiction.

8. **Social Security Representative Payee and Other Government Benefit Accounts.** At our option, we may issue shares and accept deposits in Accounts established in a member's name and for the member's benefit by an individual appointed as a Social Security "Representative Payee." Funds in a Social Security Representative Payee Account are owned by the member beneficiary. Only the Representative Payee, however, shall have direct access to the funds on deposit. If an Account is opened, you (whether as beneficiary or as Representative Payee) agree that we may accept deposits including direct deposits from the Social Security Administration, that we may permit withdrawals from the Account by the Representative Payee through such means as we may prescribe from time to time, and that we may restrict access to the Account by the beneficiary. You agree that the Representative Payee alone will be responsible for compliance with the Rules of the Social Security Administration governing such Accounts. You agree that if we make payment to or at the direction of a Representative Payee, any such payment shall be valid and shall discharge us from

any liability for the sums paid. You agree that we may rely upon any appointment of a Representative Payee that is valid on its face, that we will have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations otherwise set forth in this Agreement, and that we will have no duty to oversee the application by a Representative Payee of any funds withdrawn from the Account. You agree that, if any deposit to an Account is subsequently reversed, whether by the Social Security Administration or otherwise, we may transfer funds in other Accounts held by the beneficiary or the Representative Payee in order to cure any overdraft that may occur as a result of such reversal. You agree to save, indemnify, defend, and hold us harmless from any claim, demand, suit, or other charge by any person or entity arising out of or resulting from the establishment, maintenance, and transaction of any business related to a Social Security Representative Payee Account or any other Account designated for the receipt of government benefits.

## **BUSINESS ACCOUNTS**

In this section, the term "Business Account" means any account maintained or opened by or in the name of any corporation, partnership, sole proprietorship, unincorporated association or club, limited liability company, or other organization. The term "Account Owner" refers to the person or entity named as the Account Owner on any Application executed in connection with the opening, maintenance, or modification of any Business Account with us. By opening or maintaining any Business Account with us, you agree that the following terms and conditions shall apply to and govern any such Account in addition to the other provisions of this Agreement:

1. You expressly represent that (a) the Account Owner named on any Application is duly organized, validly existing, and in good standing under the laws of the state where organized and has filed Articles of Incorporation, Certificates of Limited Partnership, Assumed Named Certificates, or other similar documents in a manner sufficient to ensure that no other person or entity shall conduct business under the same name or any name deceptively similar to that of the Account Owner, (b) each officer, partner, agent, representative, or other party who signs any Application as an authorized signer is qualified and authorized to sign in the capacity represented and is empowered to so act on behalf of the Account Owner named, and (c) the Account Owner named on any Application is either presently a member of the Credit Union or is eligible to apply for membership in keeping with the membership requirements set forth below.
2. Any of the Authorized Signers on any Application shall be authorized to transact business on behalf of the Account Owner with respect to the Business Account or Accounts designated on the Application and are authorized to (a) close any such Account(s), (b) deposit and withdraw any of the funds of the Account Owner in such Account(s), whether represented by cash, checks, notes, or other evidences of debt, (c) sign for and receive the statements and records of the Account Owner with respect to any such Account(s), (d) stop payment against checks, (e) make withdrawals or transfers from any such Account for the purpose of purchasing Certificates of Deposit in the name of the Account Owner and to redeem any such Certificate of Deposit in the name of the Account Owner, and to make any other agreements and stipulations with us with respect to such Account(s) and to bind the Account Owner thereto.
3. The endorsement of the Account Owner of items for deposit may be written or stamped without designation of the party making the endorsement.
4. We are authorized to honor any and all withdrawals of the Account Owner's funds by any one of the Authorized Signers, and we need make no inquiry concerning any such action. We do not accept Business Accounts that require more than one signature for withdrawal. If you designate on your Application, checks, or any other Business Account documentation that multiple signatures are required for withdrawal, then you acknowledge that any such designation is for your own internal purposes only and you agree that it is not binding on us.
5. We will not be liable for any loss occasioned by the fraud, negligence, or misapplication of funds by any of the Authorized Signers. The Account Owner and all of the Authorized Signers jointly and individually agree to indemnify and hold us harmless from any claims, demands, expenses, losses, or damages resulting from, or directly or indirectly related to, any activity of such parties with regard to any Business Account maintained with us.
6. The Account Owner and the Authorized Signers agree to execute or provide such additional documentation as we may require or deem appropriate in connection with the opening and maintaining of any Business Account.
7. The Account Owner and all Authorized Signers authorize us to recognize the facsimile signature(s) appearing on any Application and to charge the Account Owner for all checks, withdrawals, or similar orders drawn on the Business Accounts maintained by the Account Owner. We will be so authorized so long as any facsimile signature reasonably resembles the facsimile signature appearing on any Application.

8. We may adopt policies from time to time under which we may issue ATM Cards, debit or check cards, PINs or security codes (collectively, an "access device") in connection with Internet Home Banking or other electronic fund transfers services to persons designated by the Account Owner, at the Account Owner's request. You acknowledge and agree that the issuance of an access device in connection with a Business Account affords ready access to the Account by the person or persons authorized by the Account Owner, as well as other persons who are provided access to the access device or who otherwise obtain the access device whether by way of negligence, theft, collusion, or otherwise. As a result, you acknowledge and agree that the Account Owner and the persons authorized by the Account Owner to receive an access device are solely responsible for their use and that we will not be liable for any loss resulting from the unauthorized use of the access device unless otherwise provided in any disclosures you may receive. You agree that the provisions of the Electronic Fund Transfers Agreement and Disclosures addressing our liability and any limitation upon your liability for unauthorized transfers shall not apply to electronic fund transfers when made to or from a Business Account unless otherwise provided in the disclosures.

9. In order to add or delete Authorized Signers from any Business Account, (a) the Account Owner may close the Business Account and open a new Business Account through the execution of a new Application or (b) the Account Owner may modify the Business Account to provide for any such addition or deletion by completing a new Membership Services Application or such other form as we may require, bearing the signatures of all persons who thereafter are authorized to sign on behalf of the Account Owner. In order to add or delete Authorized Signers on any Business Account, whether by way of Account closure or modification, we may require the presentation of a new certificate of corporate resolution or a new certification and authorization in the case of a sole proprietorship, partnership, association, or other business entity, specifying the action to be taken and setting forth those individuals who thereafter will be authorized to transact business on behalf of the Account Owner. You acknowledge and agree that, if the Account Owner elects to add or delete Authorized Signers by way of an Account modification rather than by closing the Accounts, we may not be able to verify effectively whether any check presented is signed by an Authorized Signer, and you agree that we are not required to examine any such instruments presented. In the event of an Account modification, you agree that the Account Owner is solely responsible for denying any deleted signer access to the Business Account and that we will not be liable for the payment of checks or orders signed or made by any deleted signer.

10. Business Accounts are subject to the rates and fees set forth periodically on our Truth in Savings Account Disclosures and Rate and Fee Schedules, which are incorporated herein. You acknowledge and agree that the Truth in Savings Account Disclosures and Rate and Fee Schedules are made for the benefit of, and are applicable only to, natural person members of the Credit Union who hold an Account primarily for personal, family, or household purposes. To the extent that those disclosures are also accurate with respect to Business Accounts, they are provided for informational purposes only without any corresponding intent to extend coverage of the Truth in Savings Act and its implementing regulations to Business Accounts. The following Truth in Savings disclosures are accurate with respect to Business Accounts: (a) Dividend Rates and APYs, (b) Rate Information, (c) Minimum Balance Requirements, (d) Bylaw Requirements, (e) Transaction Limitations, (f) Par Value of Shares, (g) Nature of Dividends, and (h) the National Credit Union Share Insurance Fund.

11. The ownership provisions as set forth in the Account Ownership section of this Account Agreement are inapplicable to Business Accounts.

## **CHECKS AND WITHDRAWALS**

1. **Payment Authorization.** You authorize us to pay checks signed by you and charge the payments against the applicable Account. Only checks or other methods approved by us may be used to withdraw funds from your Account. You agree that it will be your responsibility to verify the accuracy of information appearing on any checks, deposit slips, or other forms, and you agree that we will not be liable for any printing errors on any such forms. All checks, withdrawal forms, deposit slips, and transfer instructions used in connection with any Account must be on forms that we provide or otherwise expressly approve in writing. You agree to complete checks using a non-gel, black or dark blue ink that will readily transfer during any imaging of the check. We will not be liable, and you agree to indemnify us and hold us harmless, if you fail to follow the requirements in this paragraph. If a non-member requests to cash a check drawn on your Account, we may require the non-member to present acceptable identification and, at our option, place a fingerprint on the check. If the non-member refuses to comply with our requirements, we may refuse to accept the check, and you agree that we will not be liable for wrongful dishonor. In the event that the applicable Account has sufficient funds on deposit to cover one or more but not all of the checks or other withdrawal orders presented during any given business day, we may honor those items and allow those withdrawals in any order that we may choose in our sole discretion, including honoring any withdrawal orders or checks payable to us first and dishonoring or refusing any other item or withdrawal order for

which there are insufficient funds available thereafter. We may process all checks and other transactions in any order we choose, and we may change the order in which we process checks and other transactions at any time without notice to you. To avoid fees, you should ensure that your Account contains sufficient available funds at all times to pay each of your transactions. In making distributions upon the death or disability of any party, you agree that we may rely upon the form of the Account at the time of any such death or disability.

2. **Stale Items**. We are under no obligation to pay a check that is presented for payment more than six months from its date. In the event that a check drawn on your Account is payable, by its terms, within a stated period of time, we are under no obligation to pay that check if it is presented after the expiration of that time period.

3. **Overdrafts and Overdraft Protection**. You agree to maintain funds in your Accounts at all times sufficient to pay any withdrawal order (whether oral, written, or otherwise) or item presented for payment against the applicable Account. We are under no obligation to pay any order or item (a) the amount of which exceeds the available balance in the Account upon which the order was made or the item was drawn, or (b) that would exceed limitations imposed upon the applicable Account under our policies and procedures, or under applicable law, including Federal Reserve Board Regulation D. In the event that we do pay any such order or item, we will not waive our right to dishonor any subsequent orders or items presented. If we do pay an order or item, the amount of which exceeds the balance in the Account upon which it is drawn, or if any item deposited to your Account is subsequently returned and charged back to your Account creating an overdraft, you agree to pay us immediately the amount by which that Account is overdrawn together with any fees that we might assess. You also authorize us to deduct any overdraft from your next deposit (including a direct deposit of social security or other government benefits), to withhold or to transfer funds from any other Account to which you are party in amounts sufficient to cover any overdraft and overdraft fees, or to use any other collection remedy available to us by law. In the event that you write a check or take any other action that would result in an Account becoming overdrawn, and if you have requested and been approved for automatic overdraft protection, such check or action taken shall be deemed to be a request by you to us to transfer available funds from your Savings or other designated Account we permit, or to make an advance under any Overdraft Line of Credit you may have with us, in increments that we deem sufficient to pay such check or otherwise remedy the overdraft, together with any service charge we may impose. We will use our best efforts to transfer funds to your Checking Account from your Savings or other Account, or to make an advance under your Overdraft Line of Credit, in the manner in which you have directed in the Application. A fee may be charged for overdraft protection as set forth in the Fee Schedule. If sufficient funds are not available, then any such order or item presented may be returned to the payee due to insufficient funds and a charge will be made to your Account in such amounts as we may establish from time to time. Each party to any of your Accounts will be jointly and severally liable for overdrafts caused by any other party to such Account. In addition to any other transfer limitations disclosed to you in connection with your Savings or Money Market Account, during any statement period you may not make more than six withdrawals or transfers from these Accounts to another Credit Union Account of yours or to a third party by means of a pre-authorized or automatic transfer or telephonic (including data transmission) agreement, order, or instruction, or by check, draft, or a similar order made payable to third parties. Overdraft protection transfers from your Savings Account are counted against this limitation. If you exceed this limit, your Account may be subject to closure. In the event that the Credit Union reasonably believes that use of your Account or Accounts is abusive due to excessive checks drawn on non-sufficient funds, excessive activity, or otherwise, your Account may be closed.

4. **Signatures**. You authorize us to recognize any of the signatures set forth on the Application in the payment of funds or the transaction of any business for your Accounts. You authorize us to pay a check presented for payment even though the signature or signatures thereon do not correspond exactly with the signatures on the Application. We are not obligated to honor a check unless the signature or signatures do correspond exactly with the signatures on the Application. We may recognize facsimile signatures, signatures imprinted by mechanical devices, or any authentication method, including orders to pay received electronically or telephonically. You agree to indemnify and hold us harmless from any losses resulting from our honoring an item which bears or purports to bear a facsimile signature resembling a facsimile signature on file with us, regardless by whom or by what means the actual or purported signature was affixed to the item. You agree that we may act upon and rely upon any documentation, correspondence, or other instructions with respect to your Accounts that we receive by way of electronic or facsimile transmission, including Account Agreements, requests to modify Accounts, Loan Agreements, and any other instruction with respect to your Accounts, and you agree to such verification procedures as we may implement from time to time. You agree that we may maintain electronic copies of Account records in lieu of any original and that any such copy will be considered an original record for any purpose, including admissibility in evidence as an original record before any court or administrative agency.

5. **Postdated, Incomplete and Conditional Items**. You agree to hold us harmless from any and all loss and liability that we may incur due to our inadvertent payment of incomplete or postdated items, items endorsed "without recourse," or conditional items. You agree that we will not have any duty to discover or comply with postdated, incomplete, or

conditional items. You agree that we may disregard any information on any check or draft other than the amount of the item, the identity of the drawee bank, any magnetically encoded information, and the signature of the drawer, regardless of whether that information is consistent with any other information on the item. You agree that we may decline to accept, process, or pay any item or order that, in our estimation, is ambiguous or otherwise unclear in its terms. You also agree that, at our option, we may use our best efforts to resolve any such ambiguity and you agree to release and hold us harmless from any and all loss and liability that we may incur or that may arise in connection with our attempts to resolve any such ambiguity.

## **6. Wire Transfers, Automated Clearing House (ACH), and Other Payment Order Transactions.**

**(a) Governing Regulations.** If you send or receive a wire transfer, Fedwire may be used. Federal Reserve Board Regulation J is the law that covers transactions made over Fedwire. If you are a party to an Automated Clearing House (ACH) entry, you acknowledge and agree that any such entry will be governed by the National Automated Clearing House Association (NACHA) Operating Rules, the rules of any local ACH, and the rules of any other system through which the entry is made. Other payment orders you make may be governed by Article 4A of the Texas Business & Commerce Code.

**(b) Notification.** Under NACHA Rules, we are not required to give you next day notice of the receipt of an ACH entry and we will not do so, nor will we give next-day notice of the receipt of a wire transfer. However, we will notify you of these transfers in your Account Statement.

**(c) Provisional and Final Payment.** If we credit your Account for an ACH entry, the credit is provisional until we receive final settlement for the payment order. If we do not receive final settlement, or if we credit your Account by mistake, we are entitled to a refund of the amount credited and you agree that, at our option, we may reverse the credit or require that you reimburse us by way of direct payment.

**(d) Identifying Account Numbers.** You agree that we can rely upon any identifying account number you give to us in connection with any ACH or wire transfer, even if the number identifies a person different than the named beneficiary or a financial institution different from the named financial institution. You agree that neither we nor any other institution involved in the transaction has a duty to determine whether the number given matches the intended beneficiary or the named financial institution. If we receive a payment order for you that does not specify an Account, you agree that we may deposit the payment into any Account of yours, including a multiple-party Account.

**(e) Our Liability; Interest Payable.** We may be responsible for your direct expenses if we fail to exercise ordinary care in carrying out your instructions in connection with a wire transfer transaction. In no event, however, will we be liable for any special, indirect, exemplary, or consequential damages (including lost profits) of any kind. We are not required to pay interest on any amount we may owe to you due to an unauthorized wire transfer arising out of our error unless you exercise ordinary care to discover the unauthorized transfer promptly and advise us of the relevant facts within the time period set forth below in the Account Statements paragraph. Any rate of interest that we might be obligated to pay to you as a matter of law for a delay or incorrect transfer arising out of our error will be the lower of the federal funds rate at the time of the correction or the dividend or interest rate that we pay on the Account to or from which the funds transfer should have occurred.

**(f) Security Procedures.** We reserve the right to refuse to accept any payment order. You agree that we may verify the authenticity of payment orders using our security procedures in place at the time of any such order, which may include a combination of signature verification, call back procedures, the use of identifying words or numbers, and identification via employee ID badge, valid driver's license, or other photo identification document. If you do not agree to our security procedures, you must notify us in writing. In such event, we shall have no obligation to accept any payment order from you or other authorized parties on the Account until you and the Credit Union agree, in writing, on an alternate security procedure.

**(g) Cutoff Times.** Transfers (including domestic and international wire transfers), payment orders, and communications canceling or amending payment orders received after 3:00 p.m. on each weekday we are open that is not a holiday may be treated as having been received on the next banking day and processed accordingly. We must receive amendments to payment orders at least three business days before the scheduled execution date of the payment order.

**(h) Force Majeure.** We are not liable for a failure to execute a payment order according to your instructions if an interruption in communication facilities or some other circumstance beyond our control such as fire or flood prevents the transfer, despite reasonable precautions we have taken.

**(i) General.** You agree that only our forms, methods, and procedures may be utilized. You also agree that in the event of an error, we may correct any such error without prior approval by you. If we are required to reimburse the U.S. government for a benefit payment made to your Account by direct deposit, we may deduct all or part of the amount owed from any Account on which you have an ownership interest, subject to applicable law. Any authorization you make to initiate paperless debit or credit entries will remain in effect until we receive written notice from you that your authorization has been revoked in a manner and in time to provide us with a reasonable opportunity to act on it.

**7. Stop Payment.** You may stop payment of items drawn on your Accounts. You agree to hold us harmless from any claim, loss, damage, or expense that we may incur, including attorney's fees, resulting from our refusing payment of any item on which you have stopped payment or from the payment of any item after your stop payment order has expired. A stop payment order will be effective for six months and may be renewed upon a request made in writing to us. We are not required to notify you of the expiration of a stop payment order or a renewal of any such order. A stop payment order, a renewal of an order, or a revocation of any such order shall not be effective unless delivered to us in writing to a member of our staff during our regular business hours and until we have had a reasonable opportunity to act on it. In addition, we will not be liable for the payment of an item over a stop payment order if the order is received after 9:00 a.m. on the next banking day after the banking day on which we received the item. Due to computer systems constraints, we can intercept an item subject to a stop payment order only if the precise amount, date, check number, name of payee, and any other information that we may reasonably require is provided. If that information is not provided exactly as it appears on the item, we will not be responsible if we are unable to stop payment. If the order is made orally, we have no obligation to honor it. If we do honor an oral stop payment order, it will only be binding for 14 days, after which it must be renewed in writing. Any stop payment order, renewal, or revocation will incur a charge as set forth on the Fee Schedule. You agree that we may honor a stop payment order, revocation, or renewal if made by the person who signed the check to be stopped or any other person who has signed the Application or is otherwise authorized to transact business relating to the Account. You agree that we will not be liable for any inadvertent payment of any item, notwithstanding a stop payment order, if we have used ordinary care and followed our usual practices in handling such an order. If an item is paid over a valid stop payment order due to our failure to exercise ordinary care, we may be liable to you for any loss you suffer as a result of that inadvertent payment. You agree, however, that it will be your responsibility to establish any such loss. You agree that we will never be liable for more than your actual loss and that we will not be liable for any consequential damages. If we do credit your Account after paying an item over a valid stop payment order, you agree to take whatever action we deem necessary to transfer to us all of your rights against the payee or holder of the item and to assist us if we take legal action against the payee or any other person. For information concerning your right to stop payment of preauthorized electronic fund transfers, please refer to your Electronic Fund Transfers Agreement and Disclosures. You may not stop payment of Cashier's Checks or Credit Union Teller's Checks issued by us at your request. You may not stop payment of transactions initiated through the use of an ATM card, debit card, or a similar device at any ATM or point of sale.

**8. Credit Union Liability; Indemnity.** Except for losses caused by our failure to exercise ordinary care or our failure to act in good faith, you agree that we will not be liable for any action or inaction regarding the payment or non-payment of items, collection of items, other withdrawals, or the transfer of funds in satisfaction of overdrafts. In this Agreement, "ordinary care" means observance of banking industry practices that do not vary unreasonably from the general banking practices prevailing in the area we service. Subject to applicable law, you agree that we will never be liable for any indirect, special, or consequential damages arising out of or related to our obligations under this Agreement, even if we have been advised of the possibility of such damages. If we pay an item over a forged drawer's signature, we will not be liable for more than the face amount of the item, subject to applicable law. Except for our acts and omissions caused by our (a) failure to exercise ordinary care, (b) willful misconduct, or (c) breach of this Agreement, you agree to indemnify, defend, and hold us and our officers, employees, and agents harmless from and against any losses, claims, or expenses, including attorney's fees and costs of litigation, arising out of or related to the services provided under this Agreement, subject to applicable law. You also agree to indemnify, defend, and hold us and our officers, employees, and agents harmless from any and all claims, expenses, losses, and damages arising out of our good faith reliance on any instructions provided by you. We will not be liable for the acts or omissions of a third party not within our control, and we will not be liable for any failure or delay in performance under this Agreement that is related to or caused by circumstances beyond our control.

## **DEPOSIT OF ITEMS**

**1. Handling of Items.** We act only as a collecting agent for any items deposited. Any deposit that we accept will be provisional and will be subject to subsequent payment verification. Just because we have made funds from a deposited check or other item available for withdrawal does not mean that the item is "good," has "cleared," or has been paid by the paying bank. It is possible that a deposited item will be returned unpaid months after we have made the funds available

to you and you have withdrawn the funds. You are responsible for all items returned on your Account, and you acknowledge that no one, including our employees, can guarantee that a check or other item you deposit will not be returned. We are not responsible for any deposit or other transaction initiated by mail until the item is actually received. We will not be responsible for any deposit or other transaction made through the use of our night depository or any other unattended facility until the item or items are actually removed from the depository or facility by our personnel. We will not be responsible for any deposit or other transaction during the course of delivery to us by any courier or other third party until the item or items are actually received by our personnel. We have the right to endorse all checks payable to you for deposit into your Account. We will not be liable for the negligence of any correspondent bank or institution nor for any loss incurred in transit when items are forwarded to correspondents. We will not be liable for any delay as a result of any interruption of communication facilities or any other circumstances beyond our control. You agree to bear the risk of any change in the exchange rate with respect to any items that may be payable in foreign currency. You agree that we may charge back any item before payment without notice, regardless of whether the item has been returned. You agree that, if a check deposited to your Account or cashed by you at the Credit Union is subsequently returned based upon a breach or alleged breach of any transfer warranty, presentment warranty, or otherwise, we may charge back the amount of any such item to your Account at any time without notice. You agree that we may resubmit an item that has been returned to us for payment, and you waive notice that an item has been dishonored or charged back against your Account. You also agree that, if we are charged a fee by any other institution in connection with any of your Accounts, that fee expense may be charged to your Account.

2. **Endorsement Standards.** The area from the trailing edge of a check to 1.5 inches from the trailing edge of a check is reserved for the payee's endorsement. The trailing edge of a check is defined as the left side of the check looking at it from the front. You and all other endorers must make your endorsement within this prescribed area. If any endorsement or other writing that you or any other endorers makes causes any error or delay in the processing of the item, you agree that you will be liable for any loss that we incur as a result of that delay or error, and you agree to hold us harmless from any such loss.

3. **Right to Refuse Deposit.** If you request that we accept a substitute check or a check for a deposit that has already been deposited at a financial institution but returned, we are under no obligation to accept any such checks. If we do, however, you agree to hold us harmless from any loss or liability, including consequential damages, attorney's fees, and expenses that may arise because of our acceptance of the item. In any event, in our discretion, we may refuse any deposit, limit the amount that may be deposited, accept all or any part of a deposit for collection only, return all or any part of any deposit, or close the Account subject to applicable regulations.

4. **Deposit Verification.** If you make or we receive a deposit to your Account and we subsequently determine that the amount of the deposit initially credited was incorrect, we may correct any such error and make corresponding adjustments to your Account in order to reflect the correction.

## GENERAL PROVISIONS

1. **Account Security.** You agree to exercise precautions to safeguard your identity, your Accounts, and your Account information. You agree never to give your personal information or Account information to anyone you do not know or whose identity you cannot verify. If you give your personal information to someone and that person uses your information to access your Account, you agree that such use will be deemed an authorized use for which you will be responsible. We will never contact you and ask you to give us your Account information, including user names, personal identification numbers, and Account numbers, over the telephone, by e-mail, or by text messaging. You agree not to disclose your personal information and Account information to unknown persons through these mediums for any reason. You agree to remain vigilant for phishing and other fraudulent scams and notify us promptly if you become aware of or suspect fraudulent activity involving your identity, your Accounts, or the Credit Union. If you fail to exercise reasonable care to protect your identity and safeguard your Accounts, we will not be liable unless required by law.

2. **Taxpayer Identification Number and Backup Withholding.** The Internal Revenue Service (IRS) requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers to credit unions and other payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes. Credit unions and other payers must be given the numbers regardless of whether recipients are required to file tax returns. Credit unions and other payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number. Certain penalties may also apply. In the event that (a) you have been notified by the IRS that you are subject to backup withholding due to payee underreporting and you have not received a notice from the IRS that the backup withholding has been terminated or (b) you provide us with an

incorrect taxpayer identification number, the Credit Union is required to withhold payment, in part, of dividends or interest owing to you in amounts determined by the IRS and to pay interest or dividends withheld to the IRS.

3. **Individual Retirement Accounts.** If you open an Individual Retirement Account with us, your Account will be governed, additionally, by the Custodial Agreement that is provided to you at the time you open your Account. If any of the terms of the Custodial Agreement conflict with the terms of this Agreement, the terms of the Custodial Agreement will control.

4. **Inactive Accounts.** We are required by law to preserve an Account that is inactive. An Account is considered inactive under Texas law if for more than one year there has not been a debit or credit to the Account because of an act by you or your agent (other than us) and you have not communicated with us. We may charge an Inactive Account Fee as set forth in the Truth in Savings Fee Schedule if a Savings or Checking Account has no activity (other than activity initiated by us) for six months. An Account is presumed abandoned if (a) the Account has been inactive for at least five years from the date of your last transaction on the Account (three years for Checking, Savings, and matured Certificate of Deposit Accounts) or your last correspondence with us, and (b) we are unable to locate you. If an Account is presumed abandoned, we are required to report the abandonment and to pay the funds in the Account to the State of Texas.

5. **Account Statements.** You are responsible for promptly examining each Account statement. Any objection that you may have with respect to any unauthorized withdrawal, payment order (including a wire transfer), or any item or deposit shown on or missing from a statement, except for electronic fund transfers, will be waived unless made in writing to us, and received on or before the 33<sup>rd</sup> day following the date the statement is mailed or made available electronically, subject to applicable law. If you have an issue relating to a substitute check, you must notify us in writing within 60 days of the date we mailed or delivered the substitute check in question or the Account statement showing the substitute check posted to your Account, whichever is later. If you are unable to make a timely claim relating to a substitute check because of extraordinary circumstances, we will extend the time period. You agree that we will not be liable for any unauthorized withdrawal, any payment order, any forged, unauthorized, or altered item drawn on or deposited to your Account, any item with missing signatures or endorsements, any missing or diverted deposit, or any other error or discrepancy if you fail to notify us within that 33-day period (60 days for substitute checks), nor will we be liable for any forged or altered item if the forgery or alteration is not readily ascertainable upon inspection. We also will not be liable for subsequent unauthorized withdrawals by the same wrongdoer if you fail to notify us of the first unauthorized withdrawal within the 33-day period, even if the subsequent unauthorized withdrawals are reported promptly. You agree that no legal action may or will be instituted by you against us seeking the recovery of any alleged loss as a result of the payment of a forged, unauthorized, or altered item or as a result of any missing or diverted deposit, or due to any other error or discrepancy unless you have provided us with notice within the period prescribed above and any such legal action shall have been instituted within two years after the date that the statement containing any such error was mailed or otherwise made available to you. For consumer accounts, please refer to your Electronic Fund Transfers Agreement and Disclosures to determine your obligations in the event of unauthorized electronic fund transfers or other errors in connection with such transfers.

Unless we adopt alternative procedures from time to time, checks drawn on your Account will not be returned to you and copies of checks will be made available to you only upon your request, subject to any fee disclosed on the Fee Schedule. You agree that your duty to examine statements promptly and your obligation to notify us in the event of any error is not waived or diminished in any respect by our retention of checks drawn on your Account.

You will receive an Account statement monthly for your Checking Accounts. You will receive an Account statement at least quarterly for your Savings Accounts. We are only required to send the Account statement to one of the parties to your Account, and you are responsible for providing Account statement and other Account information to any other Account parties. You acknowledge that any person your Account statement is provided to may have access to Account information for all of your Accounts, and we are not responsible for such access. It is your responsibility to ensure that your statements are received, and you agree that we will not be responsible for the loss or theft of your statements. Unless we have agreed otherwise, we will mail your Account statement to the most recent address we have for you in our records. We will mail Account statements to the primary member only. You agree to notify us promptly if your address or any other contact information such as your telephone number or e-mail address is changed. You agree that we may change your address of record if we receive an address change notice from the U.S. Postal Service or if a third party in the business of providing correct address information notifies us that your address of record is inconsistent with the address the third party has for you. You agree to notify us immediately if you fail to receive a statement for your Checking Accounts monthly, or a statement for your Savings Accounts at least quarterly. It is important that you make note of the time that you regularly receive your statement. You agree to notify us immediately and in any event within 14 days of that time, if you fail to receive your statement.

You acknowledge that we employ an automated collection procedure in order to more efficiently handle the high volume of items we process, and for that reason, our procedures generally do not provide for sight-review of items. You acknowledge and agree that reasonable commercial standards do not require us to sight-review every item presented and that any failure to sight-review does not constitute a lack of ordinary care in the payment of any item.

6. **Illegal Transactions.** We are prohibited from processing illegal transactions through your Accounts or through our relationship with you, including unlawful Internet gambling transactions. You may not use your Account in any manner or for any transaction that we believe poses an undue risk of illegality, and we may refuse to process or authorize any such use or transaction. If you engage in illegal transactions or unlawful activity, we also may impose restrictions on your Account, including restricting your access to Account services, or we may close your Account. If you use your Account relationship or engage in a transaction that is determined to be illegal, you will be liable to us. You waive any right to take legal action against the Credit Union for any illegal use or transactions and you agree to indemnify, defend, and hold harmless the Credit Union and any third-party processors from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use or transactions.

If you open a corporation, partnership, or organization Account, or any other kind of business Account with us, you agree to certify to us at Account opening, and if requested annually, that (a) you do not engage in an Internet gambling business or (b) you have legal authority to engage in an Internet gambling business. You agree to cooperate with us and provide any documentation we may reasonably require in order to substantiate your certification. You authorize us to investigate the background of the Account Owner, its principals, and the authorized signers, including any current or previous financial institution and payment processor references. You also agree to notify us immediately if at any time your business or organization changes in any way that causes any prior certification to be inaccurate. If you certify to us that you have legal authority to engage in an Internet gambling business, you acknowledge and agree that we may refuse to open the Account or choose to close an existing Account in our sole and absolute discretion.

7. **Legal Process.** You authorize the Credit Union to recognize and honor process issued against you from any jurisdiction or state. You agree that we may debit your Account for charges and costs, including attorney's fees, in connection with negotiations, responses, appearances, and the production of statements, items, or other documents pursuant to subpoenas, court orders, levies, garnishments, or other instruments of legal process to the extent not prohibited by law. You agree that any levy, attachment, or garnishment against your Account will be subject to our contractual lien set forth below, and you authorize us to exercise that contractual lien whether or not any outstanding obligation is in default, subject to applicable law.

8. **Contractual Lien.** Unless otherwise prohibited by applicable law or our policies and procedures, you may pledge all or any part of your shares and deposits as security for any loan. In addition to any lien we have as a matter of law, you grant us a contractual lien on all shares, deposits, and accrued dividends and interest in any Account in which you have an interest to the extent of any loans made to you and any other obligation of yours that you owe to us, which lien secures repayment of any such loan or obligation to the extent not prohibited under the federal Truth in Lending Act. You are not giving a security interest in any shares or deposits in an IRA or any other Account, which if pledged, would result in the loss of special tax treatment under the Internal Revenue Code or other applicable law. You agree that, if any such Account is a Joint or Multiple Party Account, the entire amount in such Account shall be subject to our lien and shall secure the indebtedness of each Owner owing to us. You agree that we may exercise our lien and apply the entire amount in any such Account against the indebtedness of any Owner owing to us notwithstanding the interest of any other Owner in the Account, and without notice. You agree to pay us all expenses and costs, including attorney's fees, that we may incur in defending or enforcing our right to exercise our lien against the indebtedness of any one or more Owners, and you agree that we will not be liable for dishonoring checks or other items where the exercise of our lien or any right of offset that may exist results in there being insufficient funds in the Account to honor such items. If we cash a check for you, or at your request, over the counter and any such check is subsequently returned unpaid for any reason, you agree that we may charge the amount of the item against your Account. If we elect not to enforce our lien at any time, we do not waive our right to enforce that lien on subsequent occasions. The lien secures all direct and indirect indebtedness that you may owe to us whether as a borrower, co-maker, guarantor, or otherwise. You agree that, with regard to any indebtedness owing to us secured by your principal residence, our lien on shares and deposits shall not be construed so as to diminish or forfeit any security interest in or indebtedness secured by such residence, nor shall our lien be construed so as to permit the modification of any claim we may have under 11 U.S.C. §1322(b) (2), and to the extent that this lien is so construed, it is hereby waived and shall be void.

9. **Dispute Resolution.** If (a) we suspect that fraudulent misconduct is or has taken place with respect to any Account, (b) we are notified that a party to an Account has died or is incompetent to manage his or her affairs, (c) we have been notified that a dispute exists between or among parties to the Account or third parties with regard to their respective

interests in the Account, (d) there are competing claims to funds on deposit, or (e) we are in doubt concerning the respective interests of any parties to an Account, we may restrict withdrawals and other Account transactions until we are satisfied that any obligation we may have at law and under this Agreement has been met or until any such dispute, doubt, suspected fraudulent misconduct, or probate matter has been resolved by a court of competent jurisdiction or by written settlement agreement entered into by all parties to the Account and any third party making claim to funds in any such Account. You agree that we may recover any attorney's fees or costs expended in connection with the foregoing, which fees will be payable by you directly or out of the Account made the subject of any such doubt, dispute, misconduct, or probate proceeding, or out of any other Account in which you have an interest. You agree, further, that the Credit Union may impose withdrawal limitations on any of your Accounts at any time, including your ability to access your Accounts electronically or otherwise, if you are delinquent under any obligation you owe to the Credit Union.

10. **Notices.** Unless otherwise provided in any of our agreements or disclosures we have provided to you, any notice you provide to us must be in writing and will not be effective until we have actually received it and have had a reasonable opportunity to act on it. Unless we specify otherwise in any notice we provide to you, notices from us will be effective when mailed or otherwise delivered or made available to you.

11. **Power of Attorney.** You agree that we shall be under no obligation to recognize and honor any power of attorney that authorizes someone to deal with your Account on your behalf. If we do accept a power of attorney, an agent may not make a survivorship or a payable-on-death beneficiary designation on behalf of a principal.

12. **Withdrawal of Services.** In the event that any member causes us a loss or makes known his or her intention to cause us a loss, whether by way of loan default, Account overdraft, or otherwise, or in the event that any Credit Union member has been abusive in the conduct of his or her affairs with the Credit Union, it is our policy to withdraw member services otherwise extended to that member, including but not limited to the right to maintain Accounts (except a Regular Savings Account) and the availability of electronic fund transfers services, including pre-authorized transfers, telephone and computer access services, and card services, and you agree that we may do so. Your Credit Union membership may be terminated if you cause us a loss. It is our policy that your Credit Union membership is subject to termination you fail to complete payment of one share within one month of admission to membership, or within four months from the increase in the par value of shares, or if your share balance is reduced below the par value of one share and you do not increase the balance to at least the par value of one share within four months of the reduction. Unless expelled from membership, members have a right to maintain a Regular Savings Account and to vote in annual and special meetings. Under certain circumstances, services may be reinstated if any loss caused to the Credit Union is subsequently cured.

13. **Closing the Account.** Any party to an Account may close the Account at any time, except that no Joint Owner may close the Regular Savings Account of a member or reduce the balance of any such Account below the par value of one share. Your right to close an Account is subject to any statutory or contractual lien existing in our favor and any legal process levied against any such Account. We may close any Account at any time and disburse funds on deposit in any such Account to the Owners of the Account or in satisfaction of any obligation owing to us, in any manner we deem appropriate, if (a) any of the events set forth in the preceding paragraphs 9 or 12 should arise, (b) we believe that we may suffer a loss if the Account is not closed or we believe that the volume of Account activity exceeds that which we can reasonably and safely process, (c) we determine that any party to the Account or party claiming an interest in the Account has been abusive in the use of the Account or in the conduct of his or her affairs with the Credit Union, (d) our attempts to verify your identity have failed, (e) you do not cooperate with our reasonable requests in connection with maintenance of your Account, or (f) there has been a change in Account ownership or a change with regard to the persons authorized to sign on the Account.

14. **Death or Incompetence of Account Owner.** We may continue to accept deposits to an Account, to pay items drawn against an Account, to pay other payment orders against an Account, and allow any other transactions with respect to an Account until we are notified of an Account Owner's death or of an adjudication of incompetence and we have a reasonable opportunity to act upon any such notice. Subject to our policies and procedures, and subject to any separate agreement we may enter into with any surviving Account holder, once we are notified of a member's death or adjudicated incompetence, we may pay items drawn against the Account or other payment orders authorized by the deceased Account Owner for a period of ten days after the Account Owner's death unless we are ordered to stop payment by a person claiming an interest in the Account. We may require any person claiming an interest in the Account to indemnify us against any losses arising out of the payment of any such claim, and this Account Agreement will be binding upon the heirs or legal representatives of any deceased Account Owner or any Account Owner who is adjudicated incompetent. We may discontinue paying dividends or interest on an Account following the death of an Account Owner. If any surviving Joint Owner is a member of the Credit Union, we may require that the Account be closed and that the funds be transferred to the surviving Joint Owner's Account.

15. **Attorney's Fees.** In addition to any other rights we may have at law or under this Agreement to recover fees and costs, we shall be entitled to recover reasonable attorney's fees and costs expended in connection with the enforcement of this Agreement and the defense of any rights we may have under this Agreement, and you authorize the Credit Union to deduct any such fees and costs from your Account without prior notice to you.

16. **Amendment.** You agree that we may add to, change, or delete any of the terms of this Agreement, the Truth in Savings Account Disclosures and Rate and Fee Schedules, and any notice, agreement, or policy made a part of this Agreement, from time to time in our sole discretion, subject to applicable law.

17. **Severability.** If any provision of this Agreement shall be declared invalid, unenforceable, or illegal, that provision will not affect the validity, enforceability, or legality of any other provision.

18. **Reopened Accounts.** Should your Account be closed one or more times by withdrawal of the balance of the Account, and later reopened by you, such reopened Account shall be subject to all of the terms and conditions of this Agreement, whether or not any new Application or Account agreement is signed.

19. **Governing Law.** This Agreement shall be governed by the Texas Credit Union Act, the Rules and Regulations of the Texas Credit Union Department, our Bylaws, and to the extent not preempted by federal law, the laws of the State of Texas without regard to its conflict of law provisions. You acquiesce and submit to personal jurisdiction in the State of Texas. Venue is proper in Dallas County, Texas.

20. **Credit Reports.** You authorize us to check your credit and employment history, and to request and use credit reports when considering any application to open an Account or any application for related financial services. **We may report information about your deposit, share, and loan accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.** If you believe that information we may report or have reported to a credit bureau is inaccurate or incomplete, please notify us in writing at:

**Mesquite Credit Union  
Attn: Collections  
1510 N. Galloway  
Mesquite, TX 75149**

Include your name, address, home telephone number and Account number and identify the information you believe is incorrect. If your notification relates to an incident of identity theft, we will require a copy of your identity theft report filed with law enforcement authorities.

21. **Direct Disputes of Information Appearing in Credit Reports.** You may dispute directly to us any information contained in a credit report that pertains to an account or other relationship we have or have had with you. We will investigate such disputes if you notify us in writing at any address for us that appears in the credit report or at the following address:

**Mesquite Credit Union  
Attn: Loan Department  
1510 N. Galloway  
Mesquite, TX 75149**

In your letter, you must include sufficient information for us to identify the account or other relationship in dispute, and you must identify the specific information you are disputing and explain your basis for the dispute. You also must provide all supporting documentation or other information we may reasonably require to substantiate your dispute. If you do not comply with these requirements, we may decline to investigate your dispute.

22. **Assignment.** You may not assign your Account or this Agreement, or any of your rights under this Agreement, without our express written consent, which we may withhold in our sole and absolute discretion.

23. **Cooperation in the Investigation of Claims of Unauthorized Activity.** If you submit a claim of unauthorized activity relating your Account, you agree, on our request, to (a) adequately describe your claim in writing in a signed affidavit, declaration under penalty of perjury, or any other related form that we provide, (b) file a police report, and (c) cooperate with us in all respects in the investigation of your claim, including promptly completing and returning to us any

documentation that we may require. If you fail to fully cooperate with us in the investigation of your claim, we may terminate our investigation and revoke any provisional credit we have provided to you, subject to applicable law.

24. **Communications.** In order to ensure we carry out your instructions accurately and to provide quality member service, you consent to the monitoring and recording of telephone conversations and other communications between you and us. You also agree that we may contact you at any address or telephone number you have provided to us, including any e-mail address or cell phone number, and by any means of communication available such as text messaging. Voice and data charges imposed by your carrier are your responsibility.

## FUNDS AVAILABILITY POLICY

*Notice: The following policy only applies to Mesquite Credit Union transaction Accounts. The term "transaction accounts" includes all checking accounts and may include certain other accounts. We may delay the availability of funds deposited into non-transaction accounts for longer periods. Please ask a member services representative if you should have a question about the availability of funds deposited into any of your Accounts.*

Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturday, Sundays, and federal holidays. If you make a deposit before 6:00 p.m. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 6:00 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

### **Longer Delays May Apply**

In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$200.00 of your deposit, however, will be available on the same business day we receive your deposit.

If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the next business day after we receive your deposit.

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

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.

- You deposit checks totaling more than \$5,000.00 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of 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 seventh business day after the day of your deposit.

### **Special Rules for New Accounts**

If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.