

This Agreement is the contract of deposit that covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement, the words "you" and "yours" mean those who sign the Membership Application. The words "we," "us," and "our" mean Redeemer Federal Credit Union ("Credit Union"). The word "account" means any one or more accounts you have with the Credit Union. The classification and form of ownership of your accounts are designated on your Membership Application.

By signing the Membership Application Card that is a part of the Agreement, or by establishing and using the account, each of you, jointly and severally, agrees to the terms and conditions in this Agreement, including the Member Account Agreement, Truth-in-Savings Account Disclosures, Schedule of Fees and Charges, Funds Availability Policy, Electronic Funds Transfer Agreement, Privacy Policy, any account receipt, the Credit Union's bylaws and policies, and any amendments which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement as amended from time to time.

MEMBERSHIP AND ACCOUNTS

Membership Eligibility. To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union's field of membership, must have a valid Social Security Number (SSN) or Tax Identification Number (TIN), and must purchase and maintain at least one share as required by Credit Union Bylaws. You authorize us to check your account, credit, and employment history and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.

Individual Accounts. An individual account is an account owned by one depositor, including any individual, corporation, partnership, trust, or other organization qualified for Credit Union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the decedent's estate or payable on death (POD) beneficiary, if applicable and subject to provisions of the Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death and to any security interest or pledge granted by the account owner, and subject to our statutory lien rights.

Joint Accounts. A joint account is an account owned by two (2) or more persons. Each owner has a present right to payment from the account. Each owner owns his or her net contribution to the account. Absent proof of net contribution or a specific agreement to the contrary, each party will own an equal share of the account.

Rights of Survivorship. If your account is a joint account, you can elect to a joint account with rights of survivorship or without rights of survivorship. With rights of survivorship, upon the death of one of the joint account owners, that person's interest will become the property of the surviving joint account owners. Without rights of survivorship, upon the death of one of the joint account owners, that person's interest will become the property of the designated P.O.D if one has been made. A surviving owner's interest is subject to our statutory lien for the deceased owner's obligations and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

Rights of Joint Account Owners. Any joint account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and requests for future services from any other account owner. Each account owner guarantees the signature or authenticated request of the other owners. **Any account owner may withdraw all available funds in the account, stop payment on items drawn on an account, withdraw, or pledge all or any part of the funds of any account, including funds representing a membership share, without the consent of the other account owner(s)** and the Credit Union shall have no duty to notify any other joint account owner(s). We reserve the right to require written consent of all owners for any change to or termination of an account. If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a court order to act, or require that all joint account owners agree in writing to any transaction concerning the account.

Joint Account Owner Liability. If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount, and any charges and transaction, regardless of who created the overdraft, deposited or cashed the item, or benefited from or initiated the transaction. A joint owner shall be responsible for returning any unused checks or access devices from any joint owner removed from the

account. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.

Payable on Death (POD) Account Designations. A Payable on Death (POD) account is an account held in the name of one (1) or more persons as owner or owners for one or more persons designated as beneficiaries. The account and any balance thereof is subject to the following: a) during your lifetime you may withdraw the money in the account; b) by written direction to the credit union, you may change the beneficiary or beneficiaries; and c) upon your death the money remaining in the account will belong to the beneficiary or beneficiaries, and the money will not be inherited by your heirs or be controlled by your will. Any POD beneficiary designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary of the existence of any account or the vesting of a beneficiary's interest in any account, except as otherwise provided by law.

Accounts for Minors. For any account established by or for a minor, the Credit Union reserves the right to require the minor account owner to have his or her Social Security Number (SSN) or Tax Identification Number (TIN) and to have a parental joint account owner or guardian who is at least eighteen (18) years of age, who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. For a joint account, all funds in the account shall be owned as a joint account with rights of survivorship. The Credit Union may make payments of funds directly to the minor without regard to his or her minority. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or joint account owner. The Credit Union will not honor any transaction request by a parent or guardian who is not a joint account owner. The minor account owner's Social Security Number (SSN) or Tax Identification Number (TIN) must be shown on the account.

UNIFORM TRANSFERS/GIFTS TO MINORS ACCOUNT - A Uniform Transfers/Gifts to Minors Account (UTMA/UGMA) is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The minor to whom the gift is made is the beneficiary of the custodial property in the account. The custodian has possession and control of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction. If the custodian dies, we may suspend the account until we receive instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawal.

AGENCY DESIGNATION ON AN ACCOUNT - An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or credit union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent.

Accounts for Businesses and Organizations. Accounts held in the name of a business, organization, or association member are subject to the same terms set forth in this Agreement and the following additional rules. The Credit Union reserves the right to require the business member to provide a Membership Application informing the Credit Union who is authorized to act on its behalf. No POD beneficiary designation or other designation shall apply to the account unless your SSN is used as the primary tax identification number for the account. You agree to notify the Credit Union of any change in authority. The Credit Union may rely on the written authorization until such time as the Credit Union is informed of changes in writing and has had reasonable time to act upon such notice. The Credit Union may require that third-party checks payable to a business not be cashed, but must be deposited to a business account. The

Credit Union shall have no notice of any breach of fiduciary duties arising from a transaction by any agent of the account owner, unless the Credit Union has actual notice of any wrongdoing.

Deposit of Funds Requirement. Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth in the Truth-in-Savings Disclosure. Deposits may be made by mail, at night depositories, or at unstaffed facilities. Deposits at unstaffed facilities are not our responsibility until we receive them. We reserve the right to refuse or to return any deposit.

Endorsements. You authorize the Credit Union, at its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts, whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. The Credit Union reserves the right to verify all endorsements on third-party checks presented for deposit, either in person or by comparison with member signature files. If insurance, government, and certain other checks or drafts require an endorsement as set forth on the back of the check, the Credit Union may require endorsement as set forth on the check. Endorsements must be placed in the space on the back of the check between the top edge and one and a half inches from the top edge. The Credit Union may accept drafts or checks with endorsements outside this space. However, if any such endorsements or other markings you or any prior endorser make on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error.

Collection of Items. The Credit Union shall not be responsible for deposits made by mail or at an un-staffed facility until the Credit Union actually receives them. In handling items for deposit or collection, the Credit Union only acts as your agent and assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for default or negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union reserves the right to send any item for collection. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.

Restrictive Legends. Some checks and drafts contain restrictive legends or similar limitations on the item. Examples include; two signatures required, void after 60 days, and not valid over \$500.00. We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation in or on the item unless we have specifically agreed to writing to the restriction or limitation.

Final Payment. All items or Automated Clearing House (ACH) transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of those items or ACH transfers and impose a return charge on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect any item, the Credit Union may charge such a fee to your account. The Credit Union reserves the right to refuse or to return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use.

Direct Deposits. The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e. payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits to your accounts by a separate authorization. If applicable, you must notify the Credit Union at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. Upon filing of bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the U.S. government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law. If your account is overdrawn, you authorize us to deduct the overdrawn amount from any deposit, including deposits of government payments or benefits.

Crediting of Deposits. Deposits made on Sundays and Credit Union holidays will be credited to your account on the next business day. Deposits received at un-staffed facilities such as night depositories and automated teller machines (ATMs) will be credited on the day funds are removed and processed by the Credit Union. Items drawn from an institution located outside the United States are handled on a collection basis only. Amounts will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor,

or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

ACCOUNT ACCESS

Authorized Signature. Your signature on the Account Card authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any check or draft that appears to bear your facsimile signature even if it was made by an unauthorized person. You authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction.

Access Options. You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an automated teller machine, in person, by mail, Internet access, automatic transfer, or telephone, as applicable). We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any loss we incur handling such a check or draft. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.

ACH and Wire Transfers. Except as amended by this Agreement, electronic funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the credit union is located. We may execute certain requests for electronic funds transfers by Fedwire. Fedwire transactions are subject to Federal Reserve Board Regulation J. You may order electronic funds transfers to or from your account. We will debit your account for the amount of an electronic funds transfer and will charge your account for any fees related to the transfer. Unless we agree otherwise in writing, we reserve the right to refuse to execute any order to transfer funds to or from your account. We are not obligated to execute any order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic or equipment failure. We will not provide you with next day notice of ACH, wire transfers and other electronic payments credited to your account.

You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received. If we fail to properly execute a payment order, and such action results in a delay in payment to you, we will pay you dividends or interest for the period of delay as required by applicable law. The dividends or interest paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period. Payment orders we accept will be executed within a reasonable time of receipt but may not necessarily be executed on the date they are received. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments and, if received after a cut-off time, may be treated as having been received on the next following funds transfer business day. Information about any cut-off times is available upon request. When you initiate a wire transfer, you may identify the recipient and any financial institution by name and by account or identifying number. The credit union and any other financial institutions facilitating the transfer may rely strictly on the account or identifying number even if the number identifies a different person or financial institution. Any account owner may amend or cancel a payment order even if that person did not initiate the order. We may refuse requests to amend or cancel a payment order that we believe will expose the credit union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order. We may require you to follow a security procedure to execute a payment order or certain electronic funds transfer transactions. We will notify you of any such security procedures and you agree that our security procedures are commercially reasonable. If we conduct a remittance transfer(s) on your behalf acting as a remittance transfer provider, such transactions will be governed by 12 C.F.R., part 1005, subpart B - Requirements for a remittance transfers. A "Remittance Transfer" is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time services are requested and rendered in accordance with applicable law.

Credit Union Examination. The Credit Union may disregard information on any check other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree that the Credit Union does not fail to

exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

ELECTRONIC CHECK TRANSACTIONS

Electronic Checks. If you authorize a merchant to electronically debit your checking account using the routing, account, and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such authorization is an electronic check conversion. An electronic check conversion is an electronic funds transfer (EFT) subject to the terms of the Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from your checking account.

Electronic Re-presented Checks. If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction ("Electronic Re-presented Check") to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic funds transfer subject to the terms of the Electronic Funds Transfer Agreement. If you want to reverse an electronic re-presented check, you must give us an affidavit within fifteen (15) days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was ineligible or unauthorized. If we receive a proper notice of affidavit from you within the 15-day period, we will recredit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented check, you must follow the procedures for stopping payment of checks, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor's bank to send us the original paper check or a copy of the paper check, and we provide it to you, you agree that you will not seek to have your account re-credited due to a prior stop payment order or if the item is otherwise ineligible for collection.

Account Rates and Fees. The Credit Union's payment of dividends on any account is subject to the account rates and fees, earnings, payment, and balance requirements as set forth in the "Account Disclosure" and "Schedule of Fees and Charges." You agree that the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current "Schedule of Fees and Charges" has been provided to you separately. You agree the Credit Union may change the "Account Disclosure" and "Schedule of Fees and Charges" from time to time and you will be notified of such changes as required by law

TRANSACTION LIMITATIONS

Withdrawal Restrictions. The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Drafts or other transfer or payment orders that are drawn against insufficient available funds will be subject to a service charge set forth in the "Schedule of Fees and Charges."

If there are sufficient available funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient available funds in any order at the Credit Union's discretion. The Credit Union may also refuse to allow a withdrawal in other cases, for example, any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checking accounts) of no less than seven (7) days and up to sixty (60) days, as required by law, before such withdrawal.

Transfer Limitations. We may limit the dollar amount or the number of transfers from your account. See your Truth-in-Savings Disclosure or your Electronic Funds Transfer Agreement and Disclosure.

Certificate Accounts. Any time deposit, term share, share certificate, or certificates of deposit account allowed by state law (certificate account), whichever we offer, is subject to the terms of this Agreement, the Truth-in-Savings Disclosure, and the Account Receipt for each account, the terms of which are incorporated by reference.

OVERDRAFTS

Overdraft Liability. If on any day, the available funds in your checking account are not sufficient to cover checks and other items posted to your account, those checks and items will be handled in accordance with our overdraft procedures or an overdraft protection plan you have with us. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. The Credit Union has no duty to notify you of an insufficient funds item. The Credit Union may charge a fee for an insufficient funds item whether paid or returned as set forth in the "Rate Addendum and Schedule of Fees and Charges." Except as otherwise agreed to in writing, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If the Credit Union pays an 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, including giving a payor bank extra time beyond any midnight deadline limits.

Payment of Overdrafts. If we offer standard overdraft services, this service allows us to authorize payment for the following types of transactions regardless of whether your share or deposit account has sufficient funds: (1) share drafts/checks and other transactions made using your checking account, except as otherwise described below; (2) automatic bill payments; (3) and ACH transactions. For ATM and one-time debit card transactions, you must affirmatively consent to such coverage. Without your consent, the Credit Union may not authorize and pay an ATM or one-time debit card transaction that would result in insufficient funds in your account. If you have established a service linking your share or deposit account with other individual or joint accounts, you authorize us to transfer funds from another account of yours to cover an insufficient item, including transfers from a share or deposit account, an overdraft line-of-credit account, or other account you so designate. Services and fees for these transactions are shown in the document the Credit Union uses to capture your affirmative consent and the Schedule of Fees and Charges.

Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay such items that result in an insufficiency of funds in your account, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee that results in insufficient funds in your account, you agree to pay the insufficient amount, including the fee assessed by us, in accordance with our standard overdraft services or any other service you may have authorized with us or, if you do not have such protections with us, in accordance with any overdraft payment policy we have, as described.

Order of Payments. Checks, drafts, items and other transactions may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft or item and execute other transactions on your account in any order we choose. The order in which we process checks, drafts and items and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you have questions about how we pay checks or drafts and process transfers and withdrawals.

Understanding Your Account Balance. Your Checking account has two kinds of balances: the actual balance and the available balance.

- ❖ **Actual Balance** – Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending.
- ❖ **Available Balance** – Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds, minimum balance requirements, or to comply with court orders.

We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. You may check your available balance online, mobile banking or by calling a branch.

Postdated and Stale Dated Items. You agree not to issue any check or draft that is payable on a future date (postdated). If you do issue a check or draft that is postdated and we pay it before that date, you agree that we shall have no liability to you for such payment. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account that is more than six (6) months past its date.

STOP PAYMENT ORDERS

Stop Payment Request. You may ask the Credit Union to stop payment on any check drawn upon your checking account. You may request a stop payment by telephone, by mail, fax or in person. To be binding, the order must be in writing, dated and signed, and must accurately describe the check or draft, including the exact account number, the check or draft number and the exact amount of the check or draft. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, date, and number of the check and its exact amount. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we re-credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the check to the Credit Union, and to assist the Credit Union in legal action taken against the person.

Duration of Order. You may make an oral stop payment order, which will lapse within fourteen (14) calendar days unless continued in writing within that time. A written stop payment order will be effective for 6 months. A written stop payment order may be renewed in writing from time to time. The Credit Union is not obligated to notify you when a stop payment order expires.

Liability. The Credit Union may charge a fee for each stop payment order requested, as set forth in the "Schedule of Fees and Charges." You may not stop payment on any certified check or draft, cashier's check or teller's check, or any other check, draft, or payment guaranteed by the Credit Union. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages, or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

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

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

Checks or Drafts Presented for Payment in Person. We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft and we shall have no liability for refusing payment. If we agree to cash a check or draft that is presented for payment in person, we may require the member to pay a fee. Any applicable check or draft cashing fees are stated in the Schedule of Fees and Charges.

Remotely Created Checks. For purposes of this paragraph, "account" means a transaction account, credit account, and any other account on which checks (share drafts) may be drawn. A remotely created check is a check created by someone other than the person on whose account the check is drawn. A remotely created check is generally created by a third party payee as authorized by the owner of the account on which the check is drawn. Authorization is usually made over the telephone or through on-line communication. The owner of the account does not sign a remotely created check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printed or typed name. If you

authorize a third party to draw a remotely created check against your account, you may not later revoke your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account and may charge against your account any remotely created check for which the third party has proof of your authorization.

Credit Union Lien and Security Interest. Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account(s) for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. Federal or state law (depending upon whether we have a federal or state charter) gives us a lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by federal or state law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you.

Your pledge and our statutory lien rights will allow us to apply the funds in your account(s) to what you owe when you are in default, except as limited by federal or state law. If we do not apply the funds in your account(s) to satisfy your obligation, we may place administrative freeze on your account(s) in order to protect our statutory lien rights and may apply funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to an individual Retirement Account or any other account that would lose special tax treatment under federal or state law if given as security. By not enforcing our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

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

Account Information. Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a report in connection with your account. The Credit Union agrees not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure complies with the law or a government agency or court order; (4) as disclosed in our Privacy Notice Disclosure with Opt Out; or (5) you give us written permission.

NOTICES

Name or Address Changes. It is your responsibility to notify the Credit Union of a change in mailing or physical address, change of email address or change of name. The Credit Union is only required to attempt to communicate with you only at the most recent address you have provided to the Credit Union. If the Credit Union attempts to locate you, the Credit Union may impose a service fee as set forth on the "Schedule of Fees and Charges."

Notice of Amendments. Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union will notify you of any changes in account terms, rates, or fees as required by law. Changes in account ownership, such as adding or removing a joint account owner, must be evidenced in writing. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

Effect of Notice. Any written notice you give the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. mail, postage prepaid, and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account. The Credit Union reserves the right to accept oral instructions, and you agree to hold the Credit Union harmless from any liability arising as a result of such instructions.

Electronic Notices. If you have agreed to receive notices electronically we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices.

Taxpayer Identification Number (TIN) and Backup Withholding. If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay the Internal Revenue Service (IRS) a required percentage of payments of dividends, and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may suspend the opening of your account.

STATEMENTS

Contents. If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For checking accounts, you understand that when paid, your original check becomes property of the Credit Union. Copies will be retained by the Credit Union and made available upon your request and subject to the fee set forth in the "Rate Addendum and Schedule of Fees and Charges."

Examination. You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, or unauthorized item drawn on your account if (1) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration, or unauthorized signature on the item; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

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

Inactive and Abandoned Accounts. If you have an account that you have not made a withdrawal from, deposit to, renewal of, or transfer involving your account for more than 1 year (12 months) the Credit Union may classify your account as inactive and may charge an inactive account service fee as allowed by applicable law and set forth on the "Schedule of Fees and Charges". If your account is classified as inactive and the Credit Union has been unable to contact you by regular mail during this period, the Credit Union may classify your account as dormant and may charge a dormant account service fee as allowed by law and set forth on the "Schedule of Fees and Charges". Thereafter, dividends or interest will not be paid on the account if the balance falls below any minimum balance requirement. If a deposit or withdrawal has not been made on the account, you have not otherwise indicated an interest in the account, or the Credit Union has had no other contact with you within five (5) years as required by the Uniform Unclaimed Property Act, the account will be presumed to be abandoned. Funds in abandoned accounts will be remitted in accordance with state law. Once funds have been turned over to the state, the Credit Union has no further liability to you for such funds. If you choose to reclaim such funds, you must apply to the appropriate state agency.

Death of Account Owner. The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits, and other transactions on the account until the Credit Union learns of an account owner's death. Once the Credit Union learns of a member's death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from any person claiming an interest in the account to stop payment on the checks and other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim.

Termination of Account. The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in the account; (4) any account checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) any owner or authorized user causes the Credit Union to suffer a loss, or if there has been any misrepresentation or any other abuse of any of your accounts. Your account removal or termination will not affect your responsibility for any loan obligations or prior transactions. The Credit Union is not responsible for payment of any

check, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check or other item after termination, you agree to reimburse the Credit Union for payment.

Termination of Membership. You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw. You may be expelled if there has been any misrepresentation or any other abuse on any of your other accounts or if you fail to comply with the Credit Union policies, procedures, or bylaws, conduct yourself in a threatening or abusive manner to Credit Union personnel, or willfully damage Credit Union property. You may be denied service or expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union or violating any terms of membership. If you are expelled you may not be a joint account owner on another account.

Special Account Instructions. You may request the Credit Union facilitate certain Estate Account or court-ordered account arrangements. However, because the Credit Union does 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 the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond to indemnify the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union officer. Otherwise, payment is accepted with full reservation of rights. Account changes requested by you, or any account owner, must be evidenced by a signed Membership Application and accepted by the Credit Union. The Credit Union will not recognize the authority of someone to whom you have given power of attorney unless it is a Military Power of Attorney less than 1 year old.

Internet Gambling and Other Illegal Activities. You agree that you are not engaged in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful internet gambling or other illegal activities.

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

Enforcement. You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

Governing Law. This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the state of Texas in which the Credit Union's main office is located and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

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