

## MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement covers your rights and responsibilities concerning your accounts and the rights and responsibilities of Greater Texas Federal Credit Union (Credit Union). In this Agreement, the words "you," "your," and "yours" mean anyone who signs an Account Card, Account Change Card, Member Services Request, or any other account opening document (Account Card), or for whom membership and/or service requests are approved through the Credit Union's online application and authentication process. The words "we," "us," and "our" mean the Credit Union. The word "account" means any one or more share or deposit accounts you have with the Credit Union.

Your account type(s) and ownership features are designated by you on your Account Card or through the Credit Union's online application and authentication process. By signing an Account Card or authenticating your request, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and any Account Card, Funds Availability Policy and Disclosure, Truth-in-Savings Disclosure, Electronic Fund Transfers Agreement and Disclosure, Privacy Disclosure, or Account Receipt accompanying this Agreement, the Credit Union Bylaws or Code of Regulations (Bylaws), Credit Union policies, and any amendments, including additions, deletions, or other changes, made to these documents from time to time that collectively govern your membership, accounts and services.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT** - To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

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

**1. MEMBERSHIP ELIGIBILITY** - To join the Credit Union, you must meet the membership requirements, which may include the purchase and maintenance of the minimum required share(s) (hereinafter membership share), paying a membership fee, or other requirement(s) as set forth in the Credit Union's bylaws. You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit and consumer reporting agencies, to verify your eligibility for the accounts, products and services you request and for other accounts, products, or services we may offer you or for which you may qualify.

**2. SINGLE PARTY ACCOUNTS** - A single party account is payable to one party, the owner, who has qualified for credit union membership. If the owner dies, the account is payable to the Payable on Death (POD) beneficiary(ies), if so named, or as a part of the owner's estate under his or her will or by the applicable laws of intestacy. Payment of the account is subject to other provisions of this Agreement protecting the Credit Union for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death, any security interest or pledge granted by the account owner, and our statutory lien rights.

**3. JOINT MULTIPLE PARTY ACCOUNTS** - A joint multiple party account is an account payable to any one of two or more parties, the owners. During their lifetimes, the owners of a joint multiple party account own the account in proportion to their net contributions to the account. The owners of a joint multiple party account are presumed to own the account in equal undivided interests, unless there is satisfactory proof of the parties' net contributions to the account. The owners' net contributions to a joint multiple party account are calculated in accordance to Sec. 125.104(b) of the Texas Finance Code and Sec. 113.003 of the Texas Estates Code, as amended from time to time.

**a. Rights of Survivorship.** For joint multiple party accounts with rights of survivorship, on the death of one party, all sums in the account on the date of the death vest in and belong to the surviving party(ies) as his or her separate property and estate. This means that when one owner dies, ownership of the account passes to the surviving owner(s). If there are two or more surviving owners, their respective ownerships during lifetime shall be in proportion to their previous net contributions to the account, increased for each survivor by an equal share of any interest the decedent may have owned in the account immediately before his or her death. Payment of the account is subject to other provisions of this Agreement protecting the Credit Union for honoring transfer and withdrawal requests of an owner or by an owner's agent prior to notice of an owner's death, and to our statutory lien for the owner's obligations, and to any security interest or pledge granted by the owner.

**b. Control of Joint Multiple Party Accounts.** Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature or authenticated request of any other owner(s). Any owner may withdraw or transfer funds, pledge to us all or any part of the shares or stop payment on items without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. However, subject to a policy adopted by the Credit Union's board of directors, a member, by written notice to us, may change any joint owner designated on the account or remove any such joint owner, change the form of the account, or stop or vary payment under the terms of the account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all owners in order to act.

**c. Joint Multiple Party Account Owner Liability.** If an item deposited in a joint multiple party account is returned unpaid, a joint multiple party account is overdrawn, or we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us for any returned item, overdraft, or unpaid amount and for any related fees and charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of the indebted owner, including all funds in the joint multiple account, regardless of who contributed the funds.

**4. POD ACCOUNT** - A POD account is a single or joint multiple party account that is payable on request to the owner(s) during his, her, or their lifetimes and, upon the death of all owners, is payable to the surviving named POD beneficiary(ies). Unless state law provides for different ownership or as permitted and documented by us, the beneficiaries will own the funds jointly in equal shares without rights of survivorship when there is more than one surviving beneficiary. Any POD designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary of the existence of any account nor the vesting of the beneficiary's interest in any account, except as otherwise provided by law.

**5. ACCOUNTS FOR MINORS** - If an account is established for a minor as a joint multiple party account with an owner who has reached the age of majority in accordance with state law, they are jointly and severally liable to us for any returned item, overdraft, or unpaid amount on such account and for any related fees and charges. We may pay funds directly to the minor regardless of their age. Unless a parent or guardian is an account owner, the parent or guardian will not have any access to the account. We have no duty to inquire about the use or purpose of any transaction except as required by applicable law. We may not change the account status when the minor reaches the age of majority unless the change is authorized in writing by all account owners.

**6. ACCOUNTS SUBJECT TO TUTMA** - An account designated as subject to the Texas Uniform Transfers to Minors Act (TUTMA) is a single party account for a minor. The account is created by the transfer of funds into an account subject to the TUTMA for a named minor. The transfer and all additional deposits to the account are irrevocable gifts to the minor. The transferor of the initial deposit to the account must name one person eligible under the TUTMA to serve as custodian of the account. The custodian has possession and control of the account and is required by law to manage the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party authorized to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction except as required by applicable law. If the custodian dies without a successor custodian already named for the account, we may suspend the account until a successor custodian is named, we receive instructions from any person authorized by law to withdraw funds, or we receive a court order authorizing withdrawals. The account will terminate and be distributed in accordance with applicable law.

**7. DEPOSIT OF FUNDS REQUIREMENTS** - 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 made by mail, at night depositories, or at unstaffed facilities are not our responsibility until we receive them. We reserve the right to refuse or to return any deposit.

**a. Endorsements.** We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, one or more account owners even if they are not endorsed by all payees. You authorize us to supply missing endorsements of any owners if we choose. If a check, draft, or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft, or item as though it is payable to either person. If an insurance, government, or other check or draft requires an endorsement, we may require endorsement as set forth on the item. Endorsements must be made on the back of the check or draft within 1½ inches of the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. If we offer a remote deposit capture service and you have been approved to use the service to make deposits to your account, you agree that, prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with any other agreement with us that governs this service.

**b. Collection of Items.** We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the loss of an item in transit or the negligence of any correspondent. Each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. 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.

**c. Restrictive Legends.** Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends 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 contained in or on the item unless we have specifically agreed in writing to the restriction or limitation.

**d. Final Payment.** All checks, drafts, automated clearing house (ACH) transfers or other items credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items and impose a returned item fee on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or fund transfer.

**e. Direct Deposits.** We may offer direct deposit services, including preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize direct deposits or preauthorized transfers by completing a separate authorization document or process. You must notify us if you wish to cancel or change a direct deposit or preauthorized transfer. Any cancellation or change will become effective once we receive notice from you and have a reasonable period of time to act on your request. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

**f. Crediting of Deposits.** Deposits will be credited to your account on the day we consider them received as stated in our Funds Availability Policy and Disclosure.

## **8. ACCOUNT ACCESS**

**a. Authorized Signature.** Your signature on the Account Card, or authentication and approval of your account, 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 information, even if you do not authorize a particular transaction.

**b. Access Options.** You may access your account(s) in any manner we permit including, for example, in person at one of our branch offices, at an ATM or point-of-sale device, or by mail, telephone, automatic transfer, internet access or mobile application. We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any losses, expenses or fees we incur as a result of 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 may refuse to honor a power of attorney if our refusal is conducted in accordance with applicable state law.

**c. Credit Union Examination.** We may disregard any information on any check or draft other than the signature of the drawer, the amount of the item, and any magnetic encoding. You agree that we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

**9. FUNDS TRANSFERS** - Funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code (UCC), such as wire transfers, will be subject to such provisions of the UCC as enacted by the state where the main office of the Credit Union is located, except as otherwise provided in this Agreement. ACH transfers are subject to Nacha Operating Rules. We may execute certain requests for funds transfers by Fedwire which are subject to the Federal Reserve Board's Regulation J.

**a. Authorization for Transfers/Debiting of Accounts.** You may make or order funds transfers to or from your account. We will debit your account for the amount of a funds transfer from your account and will charge your account for any fees related to the transfer.

**b. Right to Refuse to Make Transfers/Limitation of Liability.** Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available balance 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. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with funds transfers to or from your account.

**c. No Notice Required.** We will not provide you with notice when funds transfers are 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.

**d. Interest Payments.** 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, whichever applies to your account, for the period of delay as required by applicable law. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.

**e. Provisional Credit for ACH Transactions.** We may provisionally credit your account for an ACH transfer before we receive final settlement. If we do not receive final settlement, we may reverse the provisional credit or require you to refund us the amount provisionally credited to your account, and the party originating the transfer will not be considered to have paid you.

**f. Payment Order Processing and Cut-off Times.** Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the date it is received or on a particular date you specify. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments. Funds transfers, payment orders, cancellations, and amendments received after a cut-off time may be treated as having been received on the next funds transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law. This action may affect settlement or availability of the transaction.

**g. Identifying Information.** If your payment order identifies the recipient and any financial institution by name and account or other identifying number, the Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number, even if the number identifies a different person or financial institution.

**h. Amendments and Cancellations of Payment Orders.** Any account owner may amend or cancel a payment order regardless of whether that person initiated 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.

**i. Security Procedures.** We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and the Credit Union is commercially reasonable. If you refuse to follow a commercially reasonable security procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.

**j. Duty to Report Unauthorized or Erroneous Funds Transfers.** You must exercise ordinary care to identify and report unauthorized or erroneous funds transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.

**k. Recording Telephone Requests.** You agree that we may record payment order, amendment and cancellation requests as permitted by applicable law.

**l. 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. If we act as a remittance transfer provider and conduct a remittance transfer(s) on your behalf, the transaction(s) will be governed by 12 C.F.R. part 1005, subpart B - Requirements for remittance transfers. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

**10. ACCOUNT RATES AND FEES** - We pay account earnings and assess fees against your account as set forth in the Truth-in-Savings Disclosure and Schedule of Fees. We may change the Truth-in-Savings Disclosure or Schedule of Fees at any time and will notify you as required by law.

## **11. TRANSACTION LIMITATIONS**

**a. Withdrawal Restrictions.** We will pay checks or drafts, permit withdrawals, and make transfers from the available balance in your account. The availability of funds in your account may be delayed or reduced as described in this Agreement, the Funds Availability Policy and Disclosure, the Electronic Fund Transfers Agreement and Disclosure, the ATM Card and Visa Debit Card Agreement and Disclosure, the Remote Deposit Terms and Conditions of the Home Banking Services Agreement & Disclosures, and for other reasons such as legal holds. We may also pay checks or drafts, permit withdrawals, and make transfers when you have an insufficient available balance in accordance with our Overdraft Privilege Program Policy.

We may refuse to allow a withdrawal in some situations and will advise you accordingly if, for example: (1) there is a dispute between account owners (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a credit union loan on time; or (6) we deem it necessary for any other reason allowed by applicable law. We may require you to give written notice of 7 to 60 days before any intended withdrawals.

**b. Transfer Limitations.** We may limit the dollar amount or the number of transfers from your account. Please consult your Truth-in-Savings Disclosure or your Electronic Fund Transfers Agreement and Disclosure.

**12. CERTIFICATE ACCOUNTS** - Any term share, share certificate, time deposit or certificate of deposit account (certificate account), whichever we offer as allowed by applicable federal or state law, is subject to the terms of this Agreement, the Truth-in-Savings Disclosure, the Account Receipt for each account, and any other documents we provide for the account, the terms of which are incorporated herein by reference.

**13. OVERDRAFTS** - This section describes overdrafts, our overdraft services, and our policies and procedures for processing transactions and handling overdrafts. It should be read in conjunction with our other applicable agreements and disclosures, including our Funds Availability Policy and Disclosure, Electronic Fund Transfers Agreement and Disclosure, ATM Card and Visa Debit Card Agreement and Disclosure, and Overdraft Privilege Program Policy. You should also review the Schedule of Fees posted on our website, which discloses the fees that may be applicable to overdrafts, including overdraft and non-sufficient funds (NSF) fees. If you qualify, your eligible accounts are automatically subject to the Overdraft Privilege Program, which is our standard overdraft practice and is referred to as our Standard Overdraft Privilege below. You may opt-out of the Overdraft Privilege Program by completing the appropriate opt-out form on our website. You may also opt-in to our other overdraft protection plans as described in the Overdraft Privilege Program Policy. It is your responsibility to opt for the overdraft services that are appropriate for you. It is also your responsibility to maintain sufficient funds in your account to cover your payments and transactions and to understand the available balance in your account. Only you are in a position to know all of the transactions and payments that you have made or authorized and the account balance remaining to cover additional payments. This section and our other applicable agreements and disclosures describe our processing practices so that you can understand how your account's available balance is calculated, but before making new payments, you must always account for all pending transactions and payments, including those that may not be accounted for in your available balance. **If you have questions regarding these practices or any of our overdraft policies and procedures, you should contact us immediately or visit your local branch. It is your responsibility to read and understand these terms and to manage your account balance and payments / transactions to avoid overdraft and other fees.**

**a. What is an Overdraft?** An overdraft occurs when a check, electronic Automated Clearing House (ACH), ATM or Visa® Debit Card, or other payment or transaction you have made is presented to the Credit Union for payment, but sufficient funds are not available in your checking account to pay the transaction. In such a case, the payment would normally be returned to the payee for non-sufficient funds and an NSF fee will be charged. We may charge a fee each time an item is submitted or resubmitted for payment, therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item. If you have established an Automatic Overdraft Protection service with us, however, the transaction can be paid using available funds from another share account and/or loan line of credit account of yours or, if you qualify, with our discretionary Overdraft Privilege Program service. These services are collectively referred to as our Overdraft Protection Plan. You may incur fees as set forth in our Schedule of Fees for using the Overdraft Protection Plan, so you should always take care to avoid creating any overdraft. The following terms explain how our Overdraft Protection Plan works.

**b. Overdraft Services.** Our Overdraft Protection Plan has three levels. The first level is called Automatic Overdraft Protection. This service transfers available funds from your designated share and/or loan line of credit account to pay a transaction when your checking account has an insufficient available account balance. The Credit Union's determination of an insufficient available account balance may be made at any time between presentation of an item for payment and the Credit Union's midnight deadline on the day the item is presented, with only one review of the account required. We do not have to notify you if your account does not have sufficient available funds to pay an item. We may charge an Automatic Overdraft fee as set forth in the Schedule of Fees for this service. This fee is less than the fee for using the Overdraft Privilege service as explained below. To use the Automatic Overdraft Protection service, you must enroll on your Account Card or notify us in writing at a later time in the manner we require. The second level of Overdraft Protection is called Standard Overdraft Privilege. This service is automatically extended to qualifying members for most kinds of payments presented on qualifying accounts and is provided pursuant to our Overdraft Privilege Program Policy as a non-contractual courtesy. It is not a line of credit and it is not guaranteed. However, in the event you write a check or initiate an ACH, online bill payment, or recurring debit card transaction and sufficient funds are not available in your checking account to pay the transaction, and if there are no other sources of Overdraft Protection available, we will strive to pay your reasonable overdrafts subject to your Overdraft Privilege limit, provided that your account is in good standing and you continue to meet eligibility requirements. The third level of Overdraft Protection is called Enhanced Overdraft Privilege and it extends the Overdraft Privilege service to your ATM and everyday (one-time) Visa® Debit Card transactions. To use this service, you must affirmatively opt-in to Enhanced Overdraft Privilege for ATM and everyday Visa® Debit Card transactions by completing our opt-in form. For both levels of the Overdraft Privilege service, we do not have to notify you if your account does not have sufficient available funds in order to pay an item, and we will charge an Overdraft Privilege fee as set forth in the Schedule of Fees when a transaction is paid using the service. Alternatively, if we choose not to pay the transaction, the item will be returned to the payee and your account will be subject to an NSF fee as set forth in the Schedule of Fees. If you no longer want to participate in an Overdraft Protection Plan service you are enrolled in, you may opt-out of any level at any time by notifying us. Please refer to our Overdraft Privilege Program Policy for eligibility requirements and additional information about the Overdraft Privilege Program.

**c. Actual and Available Balances.** In order to accurately manage your checking account and avoid overdraft fees, it is important to understand that your checking account has two kinds of balances: the "actual balance" and the "available balance." The "actual balance" is also referred to in our Overdraft Privilege Program Policy as the "current balance." Funds used to pay transactions for your account may be limited based on the available balance. We use the available balance to determine if your account has sufficient funds to pay an item. You can check the amount of your actual balance and your available balance when you review your account online, on our audio response system, at most ATMs, by phone, or at our branch and shared-branch offices. You must be enrolled in our electronic fund transfer services in order to check your balance using those systems.

The actual balance of your account is the actual amount of money that is in your account at any given time. The actual balance reflects transactions that have been posted to your account. It does not reflect transactions that are pending. For example, if you have \$50 in your account and you write a check for \$40, then your actual balance remains at \$50 until the check is presented for payment and posted to the account. This example is reflected graphically as follows:

Actual Balance	Activity
<b>\$50</b>	Check for \$40 written
<b>\$50</b>	\$40 Check in transit for payment
<b>\$50 - \$40 = \$10</b>	\$40 Check presented and posted to account

The actual balance does not reflect the pending check while it is in transit to be settled with us. The actual balance also does not reflect items that have not yet been posted to your account, such as a remotely deposited check that has been submitted for deposit and is currently under review for acceptance or a Visa® Debit Card transactions that have been preauthorized but not yet presented or posted. **As further described below, you are responsible for tracking your available balance and must account for any in-process transactions not yet available to us or reflected in your available balance before making or authorizing new payments.**

The available balance is that part of the actual balance that is available for you to use without incurring Automatic Overdraft Protection or Overdraft Privilege fees. The available balance takes into account holds placed on account funds such as check deposit holds under our Funds Availability Policy, holds for pending Visa® Debit Card transactions that have been preauthorized but not yet posted, and legal holds. For example, if you have \$50 in your account and you use your Visa® Debit Card at a restaurant for \$20, then the restaurant may ask us to preauthorize the payment. When that happens, we will place a hold on your account for the amount requested by the merchant (for example, \$30) and your available balance will be

the difference between your actual balance and the amount subject to the preauthorized hold (in the example,  $\$50 - \$30 = \$20$ ), even though your actual balance will remain at \$50 until the transaction posts or the hold is released. This example is reflected graphically as follows:

Actual Balance	Activity	Available Balance
<b>\$50</b>	Debit card used at restaurant for \$20 meal. Restaurant preauthorizes payment for \$30; \$30 preauthorization hold placed on account	$\$50 - \$30 = \$20$
<b>\$50</b>	\$20 transaction in process; \$30 preauthorization hold remains on account	<b>\$20</b>
$\$50 - \$20 = \$30$	\$20 transaction presented and posted. Preauthorization hold released so available balance matches actual balance.	<b>\$30</b>

Preauthorization holds may also be for less than the final transaction amount. Using the same example above, if you use your Visa® Debit Card at a restaurant for \$40 and the restaurant asks us to preauthorize the payment in the amount of \$30, a hold will be placed on your account for \$30. However, your available balance will decrease by an additional \$10 when the transaction posts. This example is reflected graphically as follows:

Actual Balance	Activity	Available Balance
<b>\$50</b>	Debit card used at restaurant for \$40 meal. Restaurant preauthorizes payment for \$30; \$30 preauthorization hold placed on account	$\$50 - \$30 = \$20$
<b>\$50</b>	\$40 transaction in process; \$30 preauthorization hold remains on account	<b>\$20</b>
$\$50 - \$40 = \$10$	\$40 transaction presented and posted. Preauthorization hold released so available balance matches actual balance.	<b>\$10</b>

Funds subject to a hold are not available to pay checks, Visa® Debit Card, online bill payments, ACH, and other transactions. Please refer to the Electronic Fund Transfers Agreement and Disclosure for more information about Visa® Debit Card preauthorization holds. You should also keep in mind that the available balance may not always reflect all outstanding pending payments such as checks that you have written that are in transit. Additionally, the available balance may not always reflect outstanding Visa® Debit Card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within a certain time of the preauthorization, we must release the hold. In such a case, the available balance will not reflect the outstanding transaction until we receive it and post it to the account. **As a result, you must carefully track of all of your transactions to ensure you have sufficient funds available in your account when the transactions are presented to us. Before making or authorizing a new payment on your account, you should review your available balance and consider any in-process transactions not reflected in your available balance, including un-posted checks and pending Visa® Debit Card transactions not subject to a preauthorization hold.**

When in-process transactions are posted to your account, your available balance will be reduced by the amount of the posted transaction. If there is a hold on your account and an intervening in-process transaction posts to reduce your available balance below \$0, fees may apply to the intervening transaction. Using the same example above, if you use your Visa® Debit Card at a restaurant for \$20 and the restaurant asks us to preauthorize the payment in the amount of \$30, a hold will be placed on your account for \$30. If a \$30 check then posts to your account while your available balance is \$20 due to the \$30 preauthorization hold requested by the restaurant, your available balance will drop below \$0 (causing your account to be overdrawn) when the check posts. This example is reflected graphically as follows:

Actual Balance	Activity	Available Balance
<b>\$50</b>	Debit card used at restaurant for \$20 meal. Restaurant preauthorizes payment for \$30; \$30 preauthorization hold placed on account	$\$50 - \$30 = \$20$
$\$50 - \$30 = \$20$	\$30 check posts to account	$\$20 - \$30 = -\$10$
$\$20 - \$20 = \$0$	\$20 transaction presented and posted. Preauthorization hold released so available balance matches actual balance.	<b>\$0</b>

**Failure to consider any in-process transactions when engaging in activities that may result in a hold being placed on your account, such as use of your Visa® Debit Card, may cause you to incur fees if your account's available balance is insufficient to cover the in-process transaction when presented to us for payment. Our process for posting transactions is further described below.**

**d. Payment Order of Transactions.** The order in which we process checks and other withdrawal orders (collectively, "items") may also affect the total amount of overdraft and other fees that may be charged to your account. Items may not be processed in the order that you paid them. While we may choose to process items in any order we choose in keeping with applicable law, including posting all debit card transactions during any day before posting checks, other withdrawal orders, or other electronic fund transfers presented or made during the same day, our general policy is to pay items as we receive them. We typically receive items to be processed against your accounts multiple times per day in what are referred to as presentment files. Each presentment file received contains a large amount of a specific type of item (for example, checks, ACH, or ATM/Point of Sale (POS) transactions). These presentment files may contain multiple items to be processed against your account. In those cases where multiple items of the same type are received at the same time, the items will generally be paid as follows: Checks are paid in sequential order based on the check number. We will post credits from ACH files first and then debits in the order received. ATM/POS items are paid in

the order they are presented. Transactions performed in person, such as withdrawals or checks cashed at our branch offices, are generally paid as they are performed. Our payment policy may cause your larger items not to be paid first (such as your rent or mortgage payment), but this payment order may reduce the amount of overdraft and other fees you may have to pay if sufficient funds are not available to pay all of your items. **As described above, you are responsible for tracking your available balance and must account for any in-process transactions not yet available to us or reflected in your available balance before making or authorizing new payments.** If you fail to do so and your account's available balance is insufficient to cover an item when an item is presented for payment per our payment policy, payment cannot be guaranteed and overdraft and other fees may apply.

**e. General.** You agree to maintain sufficient available (not actual) funds in your accounts at all times to pay any withdrawal order (whether oral, written, or otherwise) or item presented for payment against the applicable account. Only you are in a position to know all of the transactions and payments that you have made or authorized and the account balance remaining to cover additional payments. We are under no obligation to pay any order or item (i) the amount of which exceeds the available balance in the account upon which the order was made or the item was drawn, or (ii) 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 available 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 a party in amounts sufficient to cover any overdraft and resulting 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 established 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 designated share account (subject to transaction limitations) and/or to make an advance under your line of credit account with us, in increments that we deem sufficient or have specified in the Schedule of Fees to pay the item or otherwise remedy the overdraft, together with any fee we may impose. We will use our best efforts to transfer funds from your designated account to your checking account and/or to make an advance under your line of credit account with us, in the manner in which you have directed. A fee may be charged for Automatic Overdraft Protection as set forth in the Schedule of Fees. If sufficient funds are not available, then any such item presented may be returned to the payee due to non-sufficient funds and an NSF fee will be charged or we may consider paying the item under our discretionary Overdraft Privilege Program Policy, subject to your eligibility and the Overdraft Privilege fee. In some cases, such as a preauthorized debit card transaction we have committed to pay at the time of purchase, we may be required to pay the transaction against insufficient available funds at the time of presentment, even if you are not eligible for or have not opted into Enhanced Overdraft Privilege protection for everyday Visa® Debit Card transactions, but in such a case we will not charge an Overdraft Privilege fee unless permitted by law. Each party to any of your accounts will be jointly and severally liable for overdrafts caused by any other party to the account. In the event the Credit Union reasonably believes that the use of your account(s) is abusive due to excessive checks or transactions presented on insufficient funds, excessive activity, or otherwise, we may limit or terminate certain services or your account may be closed.

**Again, if you have questions regarding these practices or any of our overdraft policies and procedures, you should contact us immediately or visit your local branch. It is your responsibility to read and understand these terms and to manage your account balance and payments / transactions to avoid overdraft and other fees.**

**14. POSTDATED AND STALEDATED CHECKS OR DRAFTS** - You agree not to issue any check or draft that is payable on a future date (postdated). If you do draw or 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 presented more than six months past its date; however, if the check or draft is paid against your account, we will have no liability for such payment.

#### **15. STOP PAYMENT ORDERS**

**a. Stop Payment Order Request.** Any owner may request a stop payment order on a check or draft drawn on the owner's account. To be binding, the order must accurately describe the check or draft, including the exact account number, check or draft number, and amount of the check or draft. This exact information is necessary for the Credit Union to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to assign to us all of your rights against the payee or other holders of the check or draft, and to assist us in any legal action. Fees for stop payment orders are set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges.

**b. Duration of Order.** A written stop payment order is effective for six months and may be renewed for additional six-month periods by submitting a renewal request in writing, or in a record if allowed by applicable law, before the stop payment order then in effect expires. We do not have to notify you when a stop payment order expires.

**c. Liability.** Although payment of a check or draft may be stopped, you may remain liable to any holder of the check or draft, including us. You have the burden of establishing the fact and amount of loss resulting from the payment of a check or draft contrary to a binding stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees and all damages or claims related to our refusal to pay a check or draft, as well as claims of any joint account owner or of any payee or endorsee for failing to stop payment of a check or draft as a result of incorrect information provided by you.

**d. Items Subject to Other Rules.** For cashier's checks, teller's checks, or certified checks that have been lost, destroyed, or stolen, refer to provisions elsewhere in this Agreement which describe the claims process for recovering the amount of such a check. For preauthorized debit transactions, which are governed by Regulation E, refer to the Electronic Fund Transfers Agreement and Disclosure for rules regarding stop payments on such transactions.

**16. LOST, DESTROYED, OR STOLEN CASHIER'S CHECKS, TELLER'S CHECKS, OR CERTIFIED CHECKS** - Generally, you cannot place a stop payment on a cashier's check, teller's check, or certified check that has been lost, destroyed, or stolen because the law treats these types of checks differently than ordinary checks. However, you may be able to assert a claim for the amount of the check. Article 3 of the UCC as adopted by the state in which we are located controls your and our rights and obligations with respect to these types of checks. Please contact us regarding the specific procedures for submitting a claim for a lost, destroyed, or stolen cashier's check, teller's check, or certified check.

**17. CREDIT UNION LIABILITY** - If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if, for example: (1) your account contains an insufficient available balance for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another

financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. We are not responsible for a check or draft that is paid by us if we acted in a commercially reasonable manner and exercised ordinary care. We exercise ordinary care if our actions or nonactions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules, and general financial institution practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict regarding what you and our employees say or write will be resolved by reference to this Agreement.

**18. 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 presenter to pay a fee. Any applicable check or draft cashing fees are stated in the Schedule of Fees.

**19. REMOTELY CREATED CHECKS OR DRAFTS** - For purposes of this paragraph, "account" means a transaction account, credit account, or any other account on which checks or drafts may be drawn. A remotely created check or draft is a check or draft created by someone other than the person on whose account the check or draft is drawn. A remotely created check or draft is generally created by a third-party payee as authorized by the owner of the account on which the check or draft is drawn. Authorization is usually made over the telephone or through online communication. The owner of the account does not sign a remotely created check or draft. In place of the owner's signature, the remotely created check or draft usually bears a statement that the owner authorized the check or draft or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check or draft against your account, you may not later revoke or change 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 or draft for which the third party has proof of your authorization.

**20. PLEDGE, RIGHT OF OFFSET AND STATUTORY LIEN** - 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. You agree we have the right to offset funds in any of your accounts against the obligation owed to us. 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 or offset the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply or offset the 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 any 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 or offset funds in your account(s) to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

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

**22. ACCOUNT INFORMATION** - Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree 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; or (4) you give us written permission.

## **23. NOTICES**

**a. Name or Address Changes.** You are responsible for notifying us of any name or address change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We may require all name and address changes to be provided in writing. If we attempt to locate you, we may impose a service fee as set forth in the Truth-in-Savings Disclosure or Schedule of Fees.

**b. Notice of Amendments.** Except as prohibited by applicable law, we may amend this Agreement by adding, removing, or changing terms at any time. We will notify you, in a manner we deem appropriate under the circumstances, of any changes in terms, rates or fees as required by law. We reserve the right to waive any terms of this Agreement. Any such waiver shall not affect our right to future enforcement.

**c. Effect of Notice.** Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is provided electronically or is deposited in the U.S. mail, postage prepaid and addressed to you at your statement mailing address, and will be effective whether or not received by you. Notice to any account owner is considered notice to all account owners.

**d. 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.

**24. TAXPAYER IDENTIFICATION NUMBER AND BACKUP WITHHOLDING** - You agree that we may withhold taxes from any dividends or interest earned on your account as required by federal, state or local law or regulations. Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN within a reasonable time, we may suspend opening your account or close your account and return the balance to you, less any applicable service fees.

## **25. STATEMENTS**

**a. Contents.** If we provide a periodic statement for your account, you will receive a periodic statement that shows the transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for joint multiple party accounts. For share draft or checking accounts, you understand and agree that your original check or draft, when paid, becomes property of the Credit Union and may not be returned to you, but copies of the check or draft may be retained by us or by payable-through financial institutions and may be made available upon your request. You understand and agree that statements are made available to you on the date they are mailed to you or, if you have requested, on the date they are made available to you electronically. You also understand and agree that checks, drafts, or copies thereof are made available to you on the date the statement is mailed to you or is provided to you electronically, even if the checks or drafts do not accompany the statement.

**b. Examination.** You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report any irregularities such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions, or other discrepancies that are reflected on your statement within 33 days of the date we sent or otherwise provided the statement to you, we will not be responsible for your loss. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of facsimile signature equipment.

Unauthorized electronic fund transfers governed by Regulation E are subject to different reporting periods. Please refer to the Electronic Fund Transfers Agreement and Disclosure for reporting requirements pertaining to electronic fund transfers.

**c. Notice to Credit Union.** You agree that the Credit Union's retention of checks or drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes, and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement, you agree to notify us within 14 days of the time you regularly receive a statement.

**d. Address.** If we mail you a statement, we will send it to the last known address shown in our records. If you have requested to receive your statement electronically, we will send the statement or notice of statement availability to the last email address shown in our records.

**26. INACTIVE ACCOUNTS** - As allowed by applicable law, we may classify your account as inactive or dormant and assess a fee if you have not made any transactions in your account over a specified period of time. The period of inactivity, the fee for servicing an inactive or dormant account, and the minimum balance required to avoid the service fee, if any, are set forth in our Schedule of Fees. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable or reserve account and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will then be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds. If you choose to reclaim such funds, you must apply to the appropriate state agency.

**27. SPECIAL ACCOUNT INSTRUCTIONS** - You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. We may require that account changes requested by you, or any account owner, such as adding or closing an account or service, be evidenced by a signed Account Change Card, Member Services Request, or other document which evidences a change to an account and accepted by us.

**28. TERMINATION OF ACCOUNT** - We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if, for example: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks or drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; (7) we reasonably deem it necessary to prevent a loss to us; or (8) as otherwise permitted by law. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint multiple party account. We are not responsible for payment of any check, draft, withdrawal, transaction, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.

**29. LIMITATION OF SERVICES; TERMINATION OF MEMBERSHIP** - We may restrict account access and services without notice to you when your account is being misused; you have demonstrated conduct which is abusive in nature; as outlined in any policy we have adopted regarding restricting services; or as otherwise permitted by law. You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all of your accounts.

We may terminate your membership with the Credit Union in one of three ways. The first way is through a special meeting. Under this option, we may call a special meeting of the members, provide you an opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting in favor of your expulsion. The second way to terminate your membership is under a nonparticipation policy given to each member that follows certain requirements. The third way to terminate your membership is by a two-thirds vote of a quorum of the directors of the credit union for cause.

Cause is defined as follows: (A) a substantial or repeated violation of the Membership and Account Agreement with the Credit Union; (B) a substantial or repeated disruption, including dangerous or abusive behavior, to the credit union's operations; or (C) fraud, attempted fraud, or a conviction of other illegal conduct that a member has been convicted of in relation to the Credit Union, including in connection with our employees conducting business on behalf of us.

Before the board votes on an expulsion, we must provide written notice to your mail address (or email, if applicable) on record or personally provide the written notice. We must provide specific reasons for the expulsion and allow you an opportunity to rebut those reasons through a hearing if you choose. It is your responsibility to keep your contact information with us up to date, and to open and read notices from us. Unless we determine to allow otherwise, there is no right to an in-person hearing with the board. If you fail to request a hearing within 60 calendar days of receipt of the notice, you will be expelled. You may submit any complaints about your pending expulsion or expulsion to NCUA's Consumer Assistance Center if the complaint cannot be resolved with the credit union.

We will confirm any expulsion with a letter with information on the effect of the expulsion and how you can request reinstatement. Expulsion or withdrawal from membership does not relieve a member of liability to the credit union, and we may demand immediate repayment of the money you owe to us after expulsion, subject to any applicable contract terms and conditions.

For additional information on expulsion and a copy of our expulsion policy, see Article XIV of our Bylaws.

**30. DEATH OR INCOMPETENCE** - We may honor all transfer orders, withdrawals, deposits, and other transactions on an account until we know of an owner's death or adjudication of incompetence. Even with such knowledge, we may continue to pay checks or drafts drawn on the deceased owner's account for a period of ten days after the owner's death unless we receive instructions from any person claiming an interest in the account to stop payment on the checks or drafts. To the extent permitted by law, we may require anyone claiming funds from a deceased owner's account to indemnify us for any losses we sustain if we honor that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.

**31. UNLAWFUL 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.

**32. SEVERABILITY** - If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

**33. ENFORCEMENT** - You are liable to us for any losses, costs, or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, costs, or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post judgment collection actions.

**34. GOVERNING LAW** - This Agreement is governed by the following, as amended from time to time: the Credit Union's bylaws; local clearing house and other payment system rules; federal laws and regulations, including applicable principles of contract law; and the laws and regulations of the state of Texas. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union is located.

**35. 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.

**36. MONITORING AND RECORDING COMMUNICATIONS** - We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise prohibited by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

**37. FINANCIAL EXPLOITATION** - As permitted by law, we may act or decline to act to prevent, stop, or mitigate financial exploitation of an adult. For example, we may: (1) delay, decline, or place a hold on a transaction or disbursement involving the adult; (2) approve or deny other requests or modifications to the account, such as a transfer of funds, change in ownership, or change in beneficiaries; or (3) notify a third party of the financial exploitation. We will not be liable for the actions we take on the account if we act in good faith and exercise reasonable care. For purposes of this section, "adult" means vulnerable adult, elder adult, senior adult, eligible adult, or other person as defined by applicable law.

### **38. RESOLUTION OF COVERED DISPUTES BY ARBITRATION AND CLASS-ACTION WAIVER**

THIS SECTION CONTAINS IMPORTANT INFORMATION REGARDING YOUR ACCOUNTS AND ALL RELATED SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT ANY DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

#### **A. Applicability; Definition of Covered Disputes; Exclusions; Court and Jury Trial Waiver; Survivability and Severability.**

- i. Under this Section of the Agreement (the "Arbitration and Class-Action Waiver Provision"), the Credit Union and you (the "Parties") mutually agree that any and all Covered Disputes (as defined below) that the Parties might otherwise assert in court shall instead be subject to final and binding arbitration and not decided by a court or a jury. This means that the Parties have selected arbitration as the sole and exclusive forum for the Parties to sue or be sued for all Covered Disputes, regardless of when the dispute first arose and irrespective of the time period(s) involved in the dispute (subject to the applicable statute of limitations), and that none of the Parties shall have any right to bring or litigate any Covered Disputes in court or before a jury.
- ii. The term "Covered Disputes" is defined to mean disputes and claims arising out of or relating to this Agreement (including the terms and conditions contained in the Arbitration and Class-Action Waiver Provision), the Parties' relationship, and any loan or account that you have with the Credit Union, regardless of the legal theory asserted or the relief sought, and regardless of whether they arose in the past, may currently exist or may arise in the future. Covered Disputes include not only claims made directly by you, but also made by anyone connected with you or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Covered Disputes include not only claims that relate directly to the Credit Union, but also its parent, affiliates, successors, assignees, employees, and agents, and claims for which we may be directly or indirectly liable, even if we are not properly named at the time the claim is made.
- iii. The term "Covered Disputes" does not mean, and excludes, any of the following:
  - a. disputes or claims filed, or eligible to be filed, by you or by us individually in a small claims court, so long as the disputes remain in such court and advance only an individual (non-class, non-representative) claim for relief. However, if a matter in small claims court is removed, transferred, or appealed to a non-small claims court, that claim shall become a Covered Dispute;
  - b. disputes or claims that are proceeding before an administrative body (such as an administrative agency or any other non-court governmental unit) or are before a court reviewing or deciding an appeal of an administrative agency decision;
  - c. disputes or claims brought under or governed by any law, statute, regulation, or other binding authority that prohibits pre-dispute arbitration agreements or the arbitration of the particular type of dispute that would otherwise be a Covered Dispute;
  - d. the Parties' exercise of any post-judgment enforcement measures, such as attachment or garnishment;
  - e. our enforcement of any lien or other security instrument, provided however that we may elect to arbitrate any judicial challenge to such enforcement or counterclaim asserted in such an enforcement proceeding;
  - f. collection cases filed by us under any note or other loan agreement, provided however that this exclusion shall not apply to any counterclaim asserted in such a collection case that would otherwise be a Covered Dispute;
  - g. our right to exercise self-help remedies, such as the right of set-off or the right to restrain funds in an account, provided however that you or we may elect to arbitrate any related disputes; or
  - h. disputes or claims that cannot lawfully be subject to the Arbitration and Class-Action Waiver Provision, including disputes or claims that cannot lawfully be subject to the Arbitration and Class-Action Provision under the Military Lending Act or the Truth in Lending Act.
- iv. The Parties intend to require arbitration of all Covered Disputes that can lawfully be subject to the Arbitration and Class-Action Waiver Provision. In any situation where an applicable federal or state arbitration law may restrict or foreclose arbitration of any Covered Dispute and another applicable state or federal arbitration law permits arbitration of the Covered Dispute, the Parties intend that the law permitting arbitration shall govern, to the fullest extent authorized by law.

- v. The terms of the Arbitration and Class-Action Waiver Provision shall and will continue to apply regardless of the date that you first or last began or ended a relationship with the Credit Union and regardless of when any Covered Dispute arose, subject to the applicable statute of limitations.
- vi. Because the term "Covered Disputes" only covers disputes or claims that either party has the legal right to sue for in court or before a jury, it is understood that nothing in the Arbitration and Class-Action Waiver Provision limits or forecloses any legal rights that any party may have to commence, participate in, or assist others in any proceeding or investigation of any nature before or related to an administrative, regulatory, or law enforcement agency.
- vii. If there are any ambiguities in the terms or conditions of the Arbitration and Class-Action Waiver Provision (or, for the sake of clarity, any provisions that are inconsistent), it is the Parties' intent that all ambiguities or inconsistencies be resolved in favor of arbitration.
- viii. The Arbitration and Class-Action Waiver Provision shall survive (a) termination or changes to your accounts or any related services; (b) the bankruptcy of any party; and (c) the transfer or assignment of your accounts or any related services.
- ix. If any portion of this Arbitration and Class-Action Waiver Provision is deemed invalid or unenforceable, then that portion shall be limited or construed so as to render the provision enforceable or, if necessary, shall be severed and the remainder of this Arbitration and Class-Action Waiver Provision shall remain in force.

**B. Individual Arbitrations; No Consolidated or Joint Actions; Class and Collective Action Waiver.**

- i. You agree that all Covered Disputes brought by you or the Credit Union will be arbitrated solely on an individual basis and only between you and the Credit Union. No arbitration will be permitted on a class-action, collective-action, or any other group, representative, consolidated or joint basis. The arbitrator shall have no authority to consider or resolve any claim or issue in a Covered Dispute on any basis other than on an individual basis between you and the Credit Union. The arbitrator may not consolidate or join one or more Covered Disputes with any dispute related to any other person or entity.
- ii. With respect to any Covered Dispute, you and the Credit Union waive all rights to commence, become a party to, or in any way participate as a representative or a member in any class action, collective action, or group or representative action, proceeding, or claim against the other or in any such action or claim consolidated or joined with another person. You agree to opt-out of or be severed from any such other action, proceeding, or claim.
- iii. Nothing in this Arbitration and Class-Action Waiver Provision limits or forecloses either your or the Credit Union's right to give testimony or assist another private or a governmental party in any proceeding of any nature.

**C. Usage of AAA or JAMS; Arbitrator to Decide All Issues.**

- i. All arbitrations shall be initiated before either the American Arbitration Association ("AAA") or JAMS. Arbitrations before the AAA shall be subject to the AAA Consumer Due Process Protocol in concert with the AAA Consumer Arbitration Rules in effect on the date the arbitration is filed. Arbitrations before JAMS shall be subject to either the Streamlined or Comprehensive Arbitration Rules and Procedures in effect on the date the arbitration is filed.
- ii. You may obtain a copy of the arbitration rules for these forums, as well as additional information about initiating an arbitration by contacting these arbitration forums:  
  - American Arbitration Association:  
1-800-778-7879 (toll-free) [www.adr.org](http://www.adr.org)
  - JAMS:  
1-800-352-5267 (toll-free) [www.jamsadr.com](http://www.jamsadr.com)
- iii. If you initiate the arbitration, you must notify us in writing at:  
  - Greater Texas Federal Credit Union  
12544 Riata Vista Circle  
Austin, Tx 78727
- iv. If we initiate the arbitration, we will notify you in writing at your last known address on file.
- v. If JAMS or the AAA is unable or unwilling to handle the claim for any reason, then the matter shall be arbitrated by a neutral arbitrator selected by agreement of the Parties, or, if the Parties cannot agree, selected by a court in accordance with the Federal Arbitration Act.
- vi. Subject to the explicit restrictions in the Arbitration and Class-Action Waiver Provision, the arbitrator (and not a court or jury) shall decide all issues in any Covered Dispute including but not limited to issues regarding timeliness, scope of arbitrator's authority, whether a dispute is covered by the provisions of the Arbitration and Class-Action Waiver Provision, arbitration procedures, statute of limitations, and all other issues regarding the application, interpretation, enforceability, coverage, formation, existence, and implementation of the Arbitration and Class- Waiver Provision.
- vii. If there is a conflict between a particular provision of the AAA or JAMS Rules and this Arbitration and Class-Action Waiver Provision, this Arbitration and Class-Action Waiver Provision will control.

**D. Location of Arbitration; Selection and Authority of Arbitrator; Full Remedies Available; Choice of Law; Statute of Limitations; Enforceability.**

- i. You agree that the arbitration shall be held at a AAA or JAMS office closest to your residence (if you are a Texas resident) or closest to Austin, Texas (if you are not a Texas resident), unless:
  - a. You and the Credit Union both agree to a different location in writing; or,
  - b. The arbitrator determines, upon your written request, that it is appropriate or necessary based on your financial resources to transfer the arbitration to a location more convenient to you.

Provided, however, that in the event a party requests or petitions that a federal district court compel arbitration of a Covered Dispute, you and the Credit Union agree that the arbitration shall be held in the city or county in which the district court is located.

- ii. Arbitration proceedings may be conducted electronically (i.e., remotely) at the request of either you or the Credit Union. If you make a written request to the arbitrator to change the location of the arbitration, the arbitrator shall assume (and may order that) the arbitration will proceed electronically in evaluating the convenience of the location.
- iii. You and the Credit Union shall select a single arbitrator consistent with the applicable AAA or JAMS Rules and Procedures.
- iv. If a party does not appear at a hearing after all parties have received notice of the arbitration and have filed initial appearances, you and the Credit Union authorize the arbitrator to proceed with the arbitration.
- v. Subject to the explicit restrictions in the Arbitration and Class-Action Waiver Provision, the arbitrator shall have the power and authority to award any individual remedy or relief available under applicable law and shall be the sole authority to interpret and apply the provisions in the Arbitration and Class-Action Waiver Provision of this Agreement.
- vi. You and we agree that our relationship includes transactions involving interstate commerce and that these arbitration provisions are governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws of the State of Texas shall apply.
- vii. The statute of limitations for any Covered Dispute shall be consistent with the applicable federal and Texas statutory and common-law statutes of limitations.
- viii. The arbitrator shall apply the Federal Rules of Evidence and shall honor all claims of privilege recognized by applicable federal and Texas law.
- ix. The arbitrator will take reasonable steps to protect customer account information and other confidential information if requested to do so by you or by us.

#### **E. Costs; Fees.**

- i. The party initiating the arbitration shall pay the initial filing fee, and you and the Credit Union shall thereafter share equally (each side shall pay one-half) of the fees and costs of the arbitrator and the arbitration forum, except that:
  - a. If you file the arbitration and you prevail in the arbitration, we will reimburse you for the initial filing fee; and,
  - b. If the arbitrator determines that it is appropriate or necessary based on your financial resources, we shall pay more than one-half of the fees and costs of the arbitrator and the arbitration forum, in an amount to be determined by the arbitrator as fair and equitable.
- ii. Each of the Parties shall bear its own legal fees and costs, including but not limited to attorneys' fees and expert witness fees, subject to any right to recover such fees and costs under applicable law, which the arbitrator shall apply where applicable.

#### **F. Award.**

- i. Subject to the explicit restrictions in this Arbitration and Class-Action Waiver Provision, in rendering an arbitration award, the arbitrator shall apply applicable and appropriate law and shall award all statutory remedies and penalties available to an individual party, including attorneys' fees and costs to the extent authorized by and consistent with law.
- ii. At your or our request, the award shall be in writing and the arbitrator shall set forth the essential findings of fact and law.
- iii. The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum under the rules of the arbitration forum. The appeal must request a new arbitration before a panel of three neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same manner as allocated before a single arbitrator. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act or other applicable law.
- iv. The Parties agree that a court of competent jurisdiction shall have the authority under the Federal Arbitration Act to enter a judgment upon the award made by the arbitrator or to confirm an arbitration award, and any such proceeding shall not itself be deemed a Covered Dispute.

**G. Acceptance of the Arbitration and Class-Action Waiver Provision.** If you agree to be bound by the Arbitration and Class-Action Waiver Provision, then no action is needed on your part. If you take no action, then effective immediately your Accounts will be bound by this Arbitration and Class-Action Waiver Provision.

**H. Legal Advice.** You are encouraged to consult with a lawyer of your choice if you are unsure of the meaning of any provision in this Agreement including the Arbitration and Class- Action Waiver Provision or if you wish to obtain legal advice before acceptance.