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ACCOUNT AGREEMENT

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CREDIT UNION OF TEXAS ACCOUNT AGREEMENT

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CREDIT UNION OF TEXAS ACCOUNT AGREEMENT

In this Agreement, the words “you”, “your”, “Party” and “Owner” mean any and all persons or entities who sign a Membership Application or any other application in connection with the opening of any Account with Credit Union of Texas, including any applicant for membership, any Joint Owner, or any other person or entity authorized to use or having access to any such Account. The words “we,” “us,” “our,” “CUTX,” and “Credit Union” mean Credit Union of Texas.

You authorize us to establish one or more Accounts for you or on behalf of any other person designated in your Membership Application or in any other Account Application you may execute with us (the “Application”), including but not limited to any Share Accounts, Savings Accounts, Checking Accounts, Money Market Accounts, and Certificates of Deposit. By opening or using any such Account, you agree to be bound by the terms of this Agreement, whether you are acting in your individual capacity, in a fiduciary capacity, or in your capacity as an officer, agent, or representative of any entity (Association, Club, Estate, Organization, or Trust) with regard to any such Account. You also acknowledge receipt of and agree to be bound by our Truth-In-Savings Disclosure and Rate and Fee Schedule, Your Ability To Withdraw Funds, the Substitute Check and Your Rights (Check 21) Disclosure and the Electronic Funds Transfer Disclosure and Agreement, each as amended from time to time, and to conform to our rules, regulations, bylaws, and policies now in effect and as amended from time to time or adopted hereafter. In case of any conflict between the terms of this Account Agreement and the Truth-In-Savings Disclosure and Rate and Fee Schedule, the terms appearing in the Truth-In-Savings Disclosure and Rate and Fee Schedule will control. This Agreement is made a part of any Application or other document which you execute in connection with the opening or use of any Account. The terms and conditions set forth in this Agreement amend and supersede any prior agreement governing your Credit Union Accounts. The Credit Union complies with all state and federal laws governing state-chartered, federally-insured credit unions.

TRUTH-IN-SAVINGS DISCLOSURE

The Truth-In-Savings Disclosure, which applies to each of your Accounts, including the dividend rate, interest rate if applicable, and the annual percentage yield on your Accounts, are set out on the Truth-In-Savings Disclosure and Rate and Fee Schedule which accompanies your Account Agreement. Truth-In-Savings is only applicable to an Account held by a natural person that is used primarily for personal, family, or household purposes.

ACCOUNT OWNERSHIP

1. **Single Party Accounts.** Under Single Party Account ownership, the sole party to the Account owns the Account. If you open a Single Party Account, upon your death and absent of any Payable on Death (“P.O.D.”) designation, ownership of the Account passes as part of your estate under your will or by intestacy if you die without a valid will. If you open a Single Party Account with a P.O.D. designation, then upon your death ownership of the Account passes to the P.O.D. beneficiaries then living. The Account is not part of your estate and will not pass according to your will if a valid P.O.D. designation is in place.

2. **Joint Accounts; Rights of Survivorship.** An Account owned by two or more persons is a Joint Account.

A Joint Account with Right of Survivorship is an Account that is opened by or maintained by two or more parties, who indicate that the Account will be held jointly with right of survivorship. Upon the death of one party to a Joint Account with right of survivorship, the balance in the Account (subject to any pledge by you to which we have agreed) will belong to the surviving Joint Account owners.

A Joint Account without the right of survivorship is an Account that is opened by or maintained by two or more parties who indicate that the Account will be held jointly without right of survivorship or do fail to properly designate that the Account will be held with the right of survivorship. The parties shall own the Account as tenants in common, and upon the death of a party, the party’s ownership of the Account passes as part of the party’s estate under the deceased party’s will or by intestacy if there is no valid will in place.

The Credit Union makes no representation concerning the legal consequences, or effectiveness of survivorship rights and cannot provide any legal advice to you. Consult your attorney if you have any questions regarding the legal consequences, or the validity, effectiveness, or appropriateness of such survivorship designation for any purpose.

The parties to the Joint Account own the Account (“Joint Owners”) in proportion to the parties’ net contributions to the Account unless there is clear and convincing evidence of a different intent. In the absence of satisfactory proof of the net contributions to the Joint Account, the Joint Owners are presumed to own the Joint Account in equal undivided interests. The Credit Union may pay any sum in the Joint Account to a party at any time. All funds deposited into the Account, including any earnings thereon, shall be owned jointly by you and all other Joint Owners. Payment to any Joint Owner shall be valid and discharge the Credit Union from any and all liability for such payments. Each Joint Owner authorizes all other Joint Owners to act on his or her behalf with respect to the Joint Account, and to endorse any instrument payable to him or her for deposit to any such Joint Account. Any party may pledge all of the funds in the Account to secure any indebtedness owing to the Credit Union. All Joint Owners are responsible for repaying an overdrawn Account balance to the Credit Union. Subject to such policies and procedures as we may adopt from time to time, any Joint Owner may designate the Joint Account to provide overdraft protection for any other Joint Account, without the joinder of any other party and without regard to his or her interest in the Joint Account.

The Credit Union may accept instructions from any Joint Owner or act at the request of any Joint Owner with regard to payments, deposits and withdrawals to and from any such Joint Account without the joinder of any other party; provided that, we reserve the right at our option, to require the consent of all Joint Owners prior to taking any action requested by a party in connection with a Joint Account.

Subject to any policy adopted by the Board of Directors from time to time, a member of the Credit Union who is a Joint Owner may without notice to any other Joint Owner, and upon written notice to the Credit Union in such form as the Credit Union may require, change or remove a Joint Owner or Joint Owners from any Joint Account, cancel a Joint Account designation, change the form of the Joint Account, or stop or vary payment under the terms of the Joint Account. Any such action by a member will terminate any interest that the removed Joint Owner may have in such Joint Account. Any Joint Owner may remove himself or herself from any and all Joint Accounts by completing documentation as the Credit Union may require. The Credit Union, at its option, may require that a Joint Account be closed and a new Joint Account opened in lieu of permitting the removal of a party, or the Credit Union may require the joinder and consent of any party, including any Joint Owner to be removed, prior to acting upon any written notification or instruction to remove a party from a Joint Account. A Joint Owner may not remove the primary member associated with the Joint Account. Any Joint Owner may close the Joint Account. An Owner of a Single Party Account may add a party to the account by providing documentation required by the Credit Union, and in such case, the Single Party Account will become a Joint Account. In the event the Joint Account is a Joint Account for a Minor, a Joint Owner that is a parent or legal guardian of the minor may not remove another parent or legal guardian that is also a parent or legal guardian of the minor.

3. **Payable on Death (P.O.D.) Accounts.** A P.O.D. Account is an Account payable that has a beneficiary designation whereby the Account is payable to the P.O.D. payee (or P.O.D. beneficiary) upon the P.O.D. Account owner's death. The P.O.D. payee has no ownership interest in the P.O.D. Account during the lifetime of the P.O.D. Account owner. You agree that the person or persons named as P.O.D. payees in the Application are designated as P.O.D. beneficiaries. You cannot make a P.O.D. designation with a Joint Account without Right of Survivorship.

Upon your death (or for a Joint Account with Right of Survivorship, the death of the last owner of the Account to survive), the ownership of the P.O.D Account passes to the P.O.D. beneficiary(ies). At our option, payment may be made at the request of any named P.O.D. beneficiary then living, and any payment made upon the request of any surviving P.O.D. beneficiary discharges the Credit Union from any and all liability to that P.O.D. beneficiary and any remaining P.O.D. beneficiaries of the P.O.D. Account, including their heirs, executors, and personal representatives. YOU, YOUR HEIRS, EXECUTORS, AND PERSONAL REPRESENTATIVES, AGREE TO DEFEND, INDEMNIFY, AND HOLD THE CREDIT UNION HARMLESS FROM AND AGAINST ANY CLAIM, SUIT, OR DEMAND ASSERTED BY ANY PERSON OR YOUR ESTATE AS A RESULT OF SUCH PAYMENT OF FUNDS IN THE P.O.D. ACCOUNT. You further understand and agree that a P.O.D. designation may be ineffective unless signed by the original Owner or Owners of the Account; provided that the Credit Union may require the joinder and consent of any party prior to acting upon any written notification or instruction regarding a P.O.D designation. We make no representation concerning the legal consequences or effect of any P.O.D. designation, and you understand that you should consult with an attorney if you have any question regarding the validity, effectiveness, or fitness of any such P.O.D. designation for any purpose. Your designated P.O.D. beneficiary may not be an Owner of the P.O.D. Account. We are not obligated to notify any P.O.D. beneficiary of the existence of any P.O.D. Account or the vesting of the P.O.D. beneficiary's interest in any Account, except as otherwise required by law.

4. **Accounts for Trusts.** At our option, we may issue shares or receive deposits in a revocable or irrevocable trust subject to such membership requirements as we may impose from time to time in keeping with applicable law. For a revocable trust, either the settlor must be a member of the Credit Union, or a trustee or a beneficiary must be a member of the Credit Union if the settlor is also a member of such trustee's or beneficiary's family as defined in a policy of the Credit Union. For an irrevocable trust, either or all of the settlor, trustee, or beneficiary must be a member of the Credit Union. The Credit Union may rely on any information provided by the trustee to determine whether a trust is revocable or irrevocable.

If you request that we open an Account in the name of a trust, you agree that we are authorized to release the funds in any such Account upon the signature of any Trustee. We will not be bound by any terms of the trust that impose duties on the Trustees. You agree and understand that any terms of the trust or designation by you requiring actions be performed in any particular manner is for the trust's internal purposes only and is not binding on us. You agree that if we make payment to any named Trustee or Successor Trustee or at the direction of any one of the named Trustees or Successor Trustees, such payment shall be valid and shall discharge us from any liability, including any liability to each settlor, trustee, and beneficiary, for the sums paid. Any Trustee authorized to sign on any such Account shall be subject to the terms and conditions set forth in this Account Agreement and any other agreement governing any such Account. You agree that we shall have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations set forth in this Agreement, and that we shall serve solely as a depository for the trust funds. You and any Trustee agree to save, indemnify, defend, and hold us harmless from any claim, demand, suit, or other charge by any person arising out of or resulting from the establishment, maintenance, and transaction of any business related to the trust and any Account established for the trust.

5. **Association, Club, or Organizational Accounts.** At our option, we may open Accounts, issue shares, and accept deposits by or in the name of an Association, Club, or Organization upon such terms and conditions, and upon such membership requirements as we may establish from time to time. In the event that we permit the opening of such Account, you agree to provide us with such documentation as we may require. You agree that we may rely upon the signature of any person authorized to transact business on behalf of any such Association, Club, Organization, and that any such authorization shall continue in effect until we receive, and give written acknowledgment of the receipt, of written revocation thereof. If you establish an Account with authorized signers, or you subsequently appoint or name any authorized signers, you understand and agree that the Credit Union will not at any time be liable for the actions of such authorized signers and shall not be obligated to ensure that their actions are in accordance with any instructions you have provided to them. Any appointment of an authorized signer, together with any subsequent

revocation or change must be in writing and in a form acceptable to us. It is your responsibility to determine any legal ramifications of appointing any authorized signers on your Account. The Credit Union shall not be liable for any loss occasioned by the fraud, negligence, or misapplication of funds on the part of any such signer or any officer, director, employee, or agent of any such Association, Club, or Organization.

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

7. **Accounts for Minors or Students.** At our option, we may open Accounts, issue shares, and accept deposits in the name of a minor, and pay withdrawals on such accounts. For any Account established by a minor, we reserve the right to require the minor Account to be a Joint Account with a Joint Owner or Joint Owners that is or are parents or legal guardians and each of whom shall be jointly and severally liable to the Credit Union for any returned items, overdrafts, fees, or unpaid charges or amounts on such Account. The Credit Union may make payments of funds directly to the minor without regard to his or her minority. Unless the parent or legal guardian is an Account Owner, the parent or legal guardian should not have any right to access the Account. The Credit Union has no duty to inquire into the use or purpose of any transaction by the minor or any Account Owner. An Account designated for a minor shall be established for membership, and the minor shall have those rights of membership applicable to a minor as set forth in the Credit Union's bylaws. When the minor turns 18 years of age, the Account shall be converted to a General Membership Account, subject to the terms and conditions as set forth in the Truth-In Savings Disclosure and Rate and Fee Schedule.

Checking Accounts are available to full-time students between the ages of twelve through twenty-five (12 - 25). As long as a student is under the age of 18, the student's parent or legal guardian must be a Joint Owner of the Checking Account. Instead of a parent or legal guardian, we may, at our option, allow any person who is at least eighteen (18) years of age to own the checking Account jointly. Any Joint Owner shall be jointly and severally liable for any returned items, overdrafts, fees, or unpaid charges or amounts on such Account. The Credit Union may at any time require evidence deemed satisfactory by the Credit Union of full-time student status. In the event the student Account owner either ceases to be a full-time student or attains the age of twenty-six (26), the provisions set forth in this paragraph shall be of no further force and effect, and the Account at that time shall be subject to the terms and conditions of the Account, as set forth in the Truth-In Savings Disclosure and Rate and Fee Schedule.

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

9. **Social Security Representative Payee Accounts and Veterans Administration Custodian Accounts.** At our option, we may open Accounts, issue shares, and accept deposits in Accounts established in a member's name and for the member's benefit by an individual appointed as a Social Security Administration or Veterans Administration Representative Payee or Custodian. Funds in the Account are owned by the member beneficiary. Only the Representative Payee or Custodian, however, shall have direct access to the funds on deposit. If an Account is opened, you (whether as beneficiary or as Representative Payee or Custodian) agree that we may accept deposits, including direct deposits from the Social Security Administration or Veterans Administration, that we may permit withdrawals from the Account by the Representative Payee or Custodian through such means as we may prescribe from time to time, and that we may restrict access to the Account by the beneficiary. You agree that the Representative Payee or Custodian alone will be responsible for compliance with the Rules of the Social Security Administration or Veterans Administration governing such Accounts, and we will not review or question their actions to ensure such compliance. You agree that if we make payment to or at the direction of a Representative Payee or Custodian, any such payment shall be valid and shall discharge us from any liability for the sums paid. You agree that we may rely upon any appointment of a Representative Payee or Custodian that is valid on its face, that we will have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations otherwise set forth in this Agreement,

and that we will have no duty to oversee the application by a Representative Payee or Custodian of any funds withdrawn from the Account. You agree that, if any deposit to an Account is subsequently reversed, whether by the Social Security Administration, Veterans Administration, or otherwise, we may transfer funds in other Accounts held by the beneficiary and the Representative Payee or Custodian in order to cure any overdraft that may occur as a result of such reversal. You agree to indemnify, defend, and hold us harmless from any claim, demand, suit, or other charge by any person or entity arising out of or resulting from the establishment, maintenance, and transaction of any business related to a Social Security Representative Payee Account or Veterans Custodial Account.

CHECKS AND WITHDRAWALS

1. **Payment Authorization.** You authorize us to pay checks signed by you and charge the payments against the applicable Account. Only checks ordered through us, or other methods approved by us, may be used to withdraw funds from your Account. It is your responsibility to verify the accuracy of information appearing on any checks, deposit slips, or other forms, and you agree that we will not be liable for any printing errors on any such forms. We will not be liable for any resulting losses, and you agree to indemnify, defend, and hold us harmless from such losses if you fail to meet your obligations as set forth in this paragraph. If a non-member requests to cash a check drawn on your Account, we may require the non-member to present acceptable identification. If the non-member refuses to comply with our requirements, we may refuse to accept the check, and you agree that we will not be liable for wrongful dishonor. In the event that the applicable Account has sufficient funds on deposit to cover one or more, but not all of the checks or other withdrawal orders presented during any given business day, we may honor those items and allow those withdrawals in any order that we may choose at our sole discretion, including honoring any withdrawal orders or checks payable to the Credit Union, and dishonor or refuse any other item or withdrawal order for which there are insufficient funds available thereafter. We may process checks, withdrawal orders, and electronic funds transfers in the order that we receive them, and we may change the order in which we process item(s) at any time. Should we change the processing order of the items, we will send a notification. To avoid fees, you should ensure that your Account has sufficient funds at all times to pay each item. We do not have to notify you if your account does not have sufficient available funds in order to pay an item.

2. **Stale Items.** We are under no obligation to pay a check that is presented for payment more than six (6) months from the date of the check. In the event that a check drawn on your Account is payable by its terms within a stated period of time, we are under no obligation to pay that check if it is presented after the expiration of that period.

3. **Signatures.** You authorize us to recognize any of the signatures set forth on the Application in the payment of funds or the transaction of any business for your Accounts. You authorize us to pay a check presented for payment even though the signature or signatures thereon do not correspond exactly with the signatures on the Application. We may recognize facsimile signatures, signatures imprinted by mechanical devices, or any other type of signature or method of authentication acceptable to us, including payment orders received electronically or telephonically. You agree that we may act upon and rely upon documentation, correspondence, or other instructions with respect to your Accounts that we receive by way of electronic or facsimile transmission, including Account Agreements, requests to modify Accounts, loan agreements, and any other order with respect to your Accounts, and you agree to such verification procedures as we may implement from time to time. You agree that we may maintain copies of Account records, including copies maintained electronically, in lieu of any original and that any such copy will be considered an original record for any purpose, including admissibility in evidence as an original record before any court or administrative agency.

4. **Postdated, Incomplete, and Conditional Items.** We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the items are properly completed, signed, and endorsed, or to determine if they contain any other information. You agree to indemnify, defend, and hold us harmless from any and all loss and liability that we may incur due to our payment of incomplete or postdated items, items endorsed “without recourse,” or conditional items. You agree that we will not have any duty to discover or comply with postdated, incomplete, or conditional items, nor do we have the duty to comply with any notice of postdating that we receive. You agree that we may disregard any information on any check or draft other than the amount of the item, the identity of the drawee bank, the signature of the drawer, and any magnetic encoded information, whether or not that information is consistent with any other information on the item. We may decline to accept, process, or pay any item or order that, in our estimation, is ambiguous or otherwise unclear in its terms. You agree that, at our option, we may use our best efforts to resolve any such ambiguity, and you agree to release and hold us harmless from any and all loss and liability that we may incur, or that may arise in connection with our attempts to resolve any such ambiguity.

5. **Wire Transfers.** When you open your Account, you may immediately transact the receipt of an incoming wire transfer (“incoming payment order”); however, you understand that your Account must be open for at least 60 calendar days before you may transact any outgoing payment order. You may also initiate outgoing payment orders to Accounts you own, whether such accounts are at CUTX or another financial institution (“outgoing payment order”). We may refuse any incoming payment order where there is a conflict with the payment instructions, including, but not limited to, an incorrect identifying account number or identifying name. You further understand and agree that the Credit Union reserves the right not to initiate any outgoing payment order on your behalf, at our sole and absolute discretion. The Credit Union does not initiate international payment orders. Thus, you may only request us to initiate a payment order within a U.S. territory. If you receive or send a payment order, Fedwire may be used. Regulation J and UCC-4A are the laws that cover transactions made through Fedwire.

For payment order instructions, you understand and agree that the Credit Union will rely upon any identifying number given to us, even if the identifying number indicates a different beneficiary name or a financial institution different from the named financial institution. Further, you agree that neither we nor any other financial institution involved in the transaction has a duty to determine whether the identifying number given matches

the intended beneficiary or the named financial institution. If we receive a payment order for you that does not specify an Account suffix, you agree we may deposit the payment into any Account of yours, including a Joint Account.

Thus, you agree that if you provide the Credit Union an incorrect identifying number and the receiving financial institution accepts, posts, or returns the payment order, you are responsible for the payment order in its entirety, including any loss or liability to you or us.

Incoming payment orders are accepted until the cut-off time on a Business Day (any day we are open other than Saturday). Cut-off times may change and are listed separately on our website at www.cutx.org. If we receive your incoming payment order by the cut-off time, we will post it to your Account that same Business Day. If we have any concerns about the payment instructions, we may delay posting the payment order for up to 24 hours, or we may reject the payment order altogether.

Outgoing payment orders are accepted until the cut-off time on a Business Day. Cut-off times may change and are listed separately on our website at www.cutx.org. If we receive your outgoing payment request by the cut-off time, we'll send it on that same Business Day. However, if we have concerns about your account, including but not limited to, recent deposit activity, returned items, or a negative balance, we reserve the right at our discretion not to initiate your outgoing payment order.

For any incoming or outgoing payment order we receive after the respective cut-off time, or on a federal holiday, it will be treated as though it was received on the next Business Day. The processing cut-off times shall apply to all payment orders, cancellations, or amendments received. You further understand and agree that the security procedure outlined below may apply to your outgoing payment order.

You must have funds in your Account that are sufficient to cover your payment orders. You may initiate a payment order only if the offsetting debit to your Account will not cause you to exceed the account balance according to our records.

CUTX may charge the Account for the amount of any funds transfer initiated by you, any wire transfer fees, and any additional applicable fees for wire transfers set forth in CUTX's Fee Schedule from time to time. All fees are subject to change from time to time at the discretion of CUTX.

You understand and agree that the authenticity of an outgoing payment order may be verified using the security procedure herein unless you notify the Credit Union in writing that you do not agree to the security procedure. In that event, the Credit Union shall have no obligation to accept any outgoing payment order from you until you and the Credit Union agree, in writing, on an alternate security procedure. The Credit Union has established a security procedure to verify the authenticity of an outgoing payment order, including but not limited to, (a) "out of wallet" questions; (b) call back procedures; (c) use of identifying words or numbers; or (d) valid driver's license or other government-issued photo identification.

We may reject any payment order that does not comply with the requirements of this Agreement, including any payment order that we have been unable to verify through use of the security procedures. We also may reject any payment order that exceeds the available funds on deposit with us in the Account. Notice of rejection may be given to you by telephone, by electronic means, by facsimile, or by mail. Notices of rejection will be effective when given.

You shall have no right to cancel or amend any transfer request after receipt by CUTX; however, CUTX shall use reasonable efforts to act on a cancellation or change request so long as it is received from you in accordance with the security procedure set forth in this Agreement and CUTX has a reasonable time within which to act upon such instructions. CUTX shall have no liability if the cancellation or change is not effected.

The Credit Union may be responsible for your actual losses or expenses, to the extent recoverable under Title I, Chapter 4A of the Texas Business and Commerce Code or other applicable laws. CUTX shall be responsible only for performing the wire transfer services provided in this Agreement and should be liable only for its negligence or willful misconduct in connection with a payment order. CUTX shall not be liable for acts or omissions by you or any other person. Without limitation, CUTX may be excused from delaying or failing to act if caused by illegal constraint, interruption of transmission or communications facilities, equipment failure, war, emergency conditions, strikes, or other circumstances beyond CUTX's control. In no event shall CUTX be liable for any consequential, special, punitive, or indirect losses or damages incurred relating to this Agreement, including, without limitation, subsequent wrongful dishonor resulting from CUTX's acts or omissions. We are not responsible for the acts or omissions of third parties, through whom payment orders are sent, even if those parties have acted as our agent. We are not responsible for detecting errors in any wire transfer or other payment order provided to us. Unless obligated under applicable law, we are not required to pay interest on any amount we may owe to you due to an unauthorized payment order arising out of our error unless you exercise diligence to discover the unauthorized transfer and promptly advise us of the relevant facts within the time period set forth below in the Account Statement paragraph. Any rate of interest which the Credit Union might be obligated to pay to you as of a matter of law for a delay or incorrect transfer arising out of error shall be the lower of the Fed Funds Rate at the time of the correction or the dividend rate paid by us on the Account from which the payment order should have occurred. You agree to indemnify and hold us harmless from any cost, liability, expense, including attorneys' fees, arising out of any claim by a third party alleging that any payment order of yours conflicts with or compromises the rights, title, interest of any third party or conflicts with any law, rule, regulation, ordinance, court order, or other mandate or prohibition with the force and effect of law (a "Claim"), unless the Claim arises out of our failure to exercise ordinary care, failure to act in good faith, or failure to act in accordance with your instructions given pursuant to this Agreement.

6. **Automated Clearing House (ACH) Transactions.** If you are a party to an Automated Clearing House (ACH) transaction, you understand that any such transaction will be governed by the National Automated Clearing House Association (NACHA) Operating Rules and Guidelines, the Electronic Funds Transfer Act, and Title I, Article 4A of the Texas Business and Commerce Code, as applicable, and the rules of any other system

through which the entry is made. The Credit Union does not initiate international ACH transactions.

You understand and agree that the Credit Union is not required to provide you with next-day notice on the receipt of an ACH transaction we receive on the Account, and we will not provide such notice. However, we will provide notice through periodic statements we provide to you. Also, we may provide notice through the IVR and the Online Banking Service. You may access the IVR at 214-818-3231 or 800-627-0006. You may access the Online Banking Service at www.cutx.org.

The Credit Union will provisionally credit your Account for an ACH credit transaction that we receive on your behalf. You understand and agree that such a transaction is provisional until we receive final settlement from a Federal Reserve Bank. Thus, in the event the Credit Union does not receive final settlement, or if we credit your Account by mistake, we are entitled to a full refund of the amount credited to your Account. At our option, we may reverse the credit or require that you reimburse us by way of direct deposit. Further, you understand that if the Credit Union does not receive final settlement, the party that sent you the ACH credit transaction is deemed to not have paid you the amount of such transaction.

You understand and agree that if we have any concerns about the Account, including but not limited to return activity, negative Account balance, incorrect identifying account numbers, or identifying names, we reserve the right to (but are not obligated to) reject any ACH transaction we receive on your behalf or refuse to initiate any ACH transaction on your behalf. Further, in the event that an ACH debit transaction creates an overdraft to the Account, you understand and agree that the terms and conditions as set forth in this Agreement governing overdrafts shall apply. For additional details on overdrafts, refer to Overdraft Liability, Overdraft Protection, and Overdraft Privilege Pay Service, as set forth in this Agreement.

You understand that if you provide incorrect identifying account numbers or identifying names for your account to any party to an ACH transaction, we are not liable for any funds not transferred to your account, and you shall be responsible for any loss or liability to you or us.

7. **ACH Stop Payment.** You may place a stop payment order on any ACH debit transaction on your Account. For information concerning your right to stop payment on a preauthorized electronic funds transfer (recurring ACH debt transactions), refer to the Electronic Funds Transfer Disclosure and Agreement, as set forth in this Agreement. You will be charged a fee for each stop payment order, as set forth in the Truth-In-Savings Fee Schedule.

With respect to a recurring ACH debit transaction, the Credit Union cannot cancel an agreement that you have with a merchant or payee or revoke the authorization that you have provided for recurring automatic transfers from your Accounts. To cancel your agreement with the merchant or payee and revoke your authorization for recurring automatic transfers, you must contact the merchant or payee with whom you have an agreement. You understand that the merchant or payee may change their identification number (“Company ID”) and/or the amount. As a result, you understand and agree that the ACH debit transaction will post to your Account in accordance with such changes, and you agree to hold us harmless for any such changes.

With respect to all single-entry (one-time) ACH debit transactions you understand and agree that you must complete the approved Stop Payment Order Form available from the Credit Union in its entirety and provide it to us in such a time and manner as to allow us a reasonable time to act upon such order prior to the receipt of the single-entry ACH debit transaction. You may contact Member Services at 214-818-3231 or 800-627-0006 or visit a branch location to inquire about the ACH stop order payment process and obtain a copy of the form. Any stop payment order that you place shall remain in effect until: (1) you revoke the stop payment order; or (2) the single-entry ACH debit transaction is returned, whichever occurs first.

Regardless of the type of ACH debit transaction, we will attempt to satisfy your stop payment order, but we will not be liable if you fail to revoke your authorization or fail to provide us with complete, accurate, and correct information in accordance with the time requirements. You agree to hold harmless and indemnify us for all expenses, costs, and damages incurred by the ACH debit transaction(s).

In the event the Credit Union fails to execute your stop payment order in accordance with the terms herein, we will be liable for your direct losses or damages not to exceed, in the aggregate, the amount of the ACH debit transaction on which you placed the stop payment order, as your sole and exclusive remedy. Further, in the event your stop payment order is successful, you may still be liable to the merchant or payee in the amount of the ACH debit transaction. Unless otherwise provided by a separate Agreement between you and us, you may not place a stop payment order on a transaction initiated through the use of an ATM/Debit card or a similar device at an ATM/ITM or point-of-sale terminal.

8. **General.** Your contractual agreement with a party for ACH transactions, payment orders (wires), and other payment items may provide for additional terms and conditions. You understand and agree that only Credit Union forms, methods, and procedures may be used. We are under no obligation to act upon any payment authorization if you fail to follow the requirements of our forms, methods, or procedures. You also agree that in the event of an error, we may correct such error without prior notice or approval by you. If we are required to reimburse the U.S. government for a benefit payment made to your Account by direct deposit, we may deduct all or part of the amount owed from any eligible Account on which you have an ownership interest, subject to applicable law. Any authorization you make to initiate debit or credit entries will remain in effect until we receive written notice from you that your authorization has been revoked in a time and manner sufficient to provide us with a reasonable opportunity to act on it.

9. **Force Majeure.** The Credit Union is not liable for a failure or delay in executing a payment order according to your instructions if an interruption in communication facilities or some other circumstance beyond our control prevents the transfer, such as legal or regulatory constraints, fire, flood,

act of public enemy or war, riot, civil disturbance, insurrection, labor difficulty, power failure, telecommunications failure, severe adverse weather condition, pandemic, or other event, despite reasonable precautions we have taken. We will, however, promptly notify you of the failure or delay and will complete the payment order as soon as possible.

10. **Check or Paper Draft Stop Payment.** You may place a stop payment order on any check or other demand draft that is drawn on your Accounts. Further, you understand and agree to hold us harmless from any claim, loss, damage, or expense incurred, but not limited to attorneys' fees, by virtue of our refusing payment of any item on which you have stopped payment, as well as for our payment of any item after your stop payment order has expired. You must make a stop payment order in the manner required by law and the Credit Union must receive it in time to give us a reasonable opportunity to act on it. Because stop payment orders are handled electronically, in order to be effective, your stop payment order must accurately identify the number, date, amount of the item, and the payee. If this information is not provided, we will not be responsible if we are unable to stop payment. A stop payment order, a renewal of any such order, or a revocation of any such order shall not be effective unless it is delivered to us in writing during regular business hours.

We will not be responsible for any failure on your part to enter the exact check number on which the payment is to be stopped. Also, you agree that we will not be liable for any inadvertent payment of any item, notwithstanding a stop payment order, if we have used ordinary care and followed our usual practices in handling such an order.

A stop payment order will remain in full force and effect until the earliest of the following events: (1) you revoke the stop payment order in a manner acceptable to the Credit Union; or (2) the expiration of six (6) months from the date of the original stop payment order, unless renewed by you prior to expiration. Each renewal extends the stop payment order for an additional six (6) month period from the date of renewal.

A verbal stop payment order is effective upon receipt by the Credit Union and shall remain valid for six (6) months from the date of the verbal request, subject to the same renewal provisions above. The Credit Union may, at its discretion, require written confirmation of an oral stop payment order; however, absent such a requirement, a verbal order shall be treated as valid for the full six (6) month period without written confirmation.

You may place, revoke, or renew a stop payment order in person, through the Online Banking Service, or you may also call Member Services at 214-818-3231 or 800-627-0006. You will be charged a fee for each stop payment order, as set forth in the Truth-In-Savings Fee Schedule.

11. **Cashier's Check Stop Payment.** Texas state law (Texas Business and Commerce Code, Title 1, Section 3-312) does not permit stop payments on a previously issued cashier's check. However, in cases when a previously issued cashier's check has been lost, destroyed, or stolen, we may be able to issue a replacement cashier's check only if you provide us with a signed and notarized declaration of loss affidavit, which includes an indemnity by you for our protection. In such cases, we could still be liable for payment of the original cashier's check for up to 90 days after the date of issuance. Thus, we are under no obligation to pay or issue a replacement cashier's check until this 90-day period has passed. However, if pursuant to your request, we agree at our option to pay or issue a replacement cashier's check prior to the expiration of the 90-day period, we may require that you provide us with a bond supported by such surety or sureties as we may deem sufficient to indemnify us against any possible loss in connection with the presentment or payment of the original cashier's check. The cashier's check funds may be posted to your Account with a hold to ensure that the funds are not inadvertently withdrawn for purposes other than to replace the lost, destroyed, or stolen cashier's check. You will also be required to pay a fee in connection with a request to pay or issue a replacement cashier's check, set forth in the Truth-In-Savings Fee Schedule. If an item is inadvertently paid due to our failure to exercise ordinary care, we will be liable to you for any loss you suffer as a result. You agree that it will be your responsibility to establish any such loss. You agree that we will never be liable for more than the amount of the item, and that we will not be liable for any consequential damages. If we do recredit your Account after inadvertently paying the item in question, you will take whatever action we deem necessary to transfer to us all of your rights against the payee or holder of the item and to assist us if we take legal action against the payee or any other person.

12. **Credit Union Liability.** Except for losses caused by our failure to exercise ordinary care or our failure to act in good faith, you understand and agree that the Credit Union will not be liable for any action or inaction regarding the payment or non-payment of items, collection of items, other withdrawals, or advances of credit in satisfaction of overdrafts. In no event will we be liable for consequential or incidental damages. The term "ordinary care" shall be construed in keeping with the definition set forth in Article I, Section 3-103(a)(9) of the Texas Business and Commerce Code, or any successor statute. The Credit Union will be deemed to have exercised ordinary care if we have observed reasonable commercial standards prevailing for credit unions in the area where the Credit Union is located.

DEPOSIT OF ITEMS

1. **Handling of Items.** We act only as a collecting agent for any items you deposit. Any deposit that the Credit Union accepts shall be provisional and will be subject to subsequent payment verification. Just because we have made funds from a deposited check or other item available for withdrawal does not mean that item is "good," has "cleared," or has been paid by the paying financial institution. It is possible that a deposited item will be returned unpaid after we have made the funds available to you and you have withdrawn the funds. We are not responsible for any deposit or other transaction you initiate by mail, make at an unattended facility, make at one of our ATMs/ITMs, make through our Remote Deposit Capture (RDC) Service, or during the course of delivery by any courier or third party until one of our personnel actually receives the item.

You understand and agree that we have the right to endorse all checks payable to you for deposit into your Account. Further, we will not be liable for the negligence of any correspondent bank or other financial institution nor for any loss incurred in transit when items are forwarded to any

correspondent bank or other financial institution. We reserve the right to send any item on a collection basis only. Items drawn on financial institutions located outside of the United States are handled on a collection basis only. You agree to bear the risk of any change in the exchange rate with respect to any items which may be payable in foreign currency. You agree that we may charge back any item before payment, regardless of whether the item has been returned. You understand and agree that if we are charged a fee by any other financial institution in connection with any of your Accounts that fee expense may be charged to your Account. You understand and agree that if a check that has been deposited into your Account or cashed by you at the Credit Union is subsequently returned based upon a breach or alleged breach of any transfer warranty, presentment warranty, or otherwise, we may charge back the amount of any such item to your Account at any time without notice. Also, we may resubmit an item that has been returned to us for payment, and you waive notice that an item has been dishonored or charged back against your Account. If we receive a fee from any correspondent bank or other financial institution in connection with your deposit, you understand and agree that we may charge back the Account in the amount of the fee. You may be charged a returned check fee for a returned item, as set forth in the Truth-In-Savings Fee Schedule. If we resubmit an item that has been returned to us, you understand you may be charged an additional return fee each time the item is returned as set forth in the Truth-In-Savings Fee Schedule.

The Credit Union reserves the right to collect electronically on any check you write drawn on another financial institution when that check is subsequently returned as insufficient or uncollected funds in accordance with the NACHA Operating Rules and Guidelines, including the collection of applicable fees. The Credit Union is not liable for any delay as a result of any interruption of communication facilities or any other circumstances beyond our control.

2. **Endorsement Standards.** The trailing edge of a check is defined as the right side of the check, looking at it from the back and that the area from the trailing edge of a check to 1.5 inches from the trailing edge of a check is reserved for the payee's endorsement. You and all other endorsers must make your endorsements within the prescribed area. You agree to hold us harmless from any loss or liability, including consequential damages, attorneys' fees and expenses arising in connection with your failure to adhere to our endorsement and encoding standards and those of Regulation CC, including but not limited to, any loss or liability resulting from improper encoding or a delay in forwarding or returning a check caused by an endorsement that is not readable or any other condition on the back of the check caused by you, which adversely affects the ability of a financial institution to endorse the check legibly in accordance with Regulation CC.

3. **Right to Refuse Deposit.** If you request that we accept a check for a deposit that has already been deposited at a financial institution but returned, you understand that we are under no obligation to accept that check for deposit. Further, if you request that we accept a check image, substitute check, or remotely created check for deposit we are under no obligation to accept such an item. However, if we do, you agree to hold us harmless from any loss or liability, including consequential damages, attorneys' fees, and expenses which may arise because of our acceptance of such an item. The Credit Union will not accept any item for deposit that was not created by a financial institution. Further, the Credit Union will not accept a check image if we have concerns of collectability for any reason in our sole and absolute discretion. In any event, we may refuse any deposit, limit the amount that may be deposited, accept all or any part of a deposit for collection only, return all or any part of any deposit, or close the Account subject to applicable law. If you are doing business as a proprietorship or any other type of business, we will not accept business deposits into your consumer Account with us, regardless of whether you provide any documentation confirming the establishment or existence of such business.

GENERAL PROVISIONS

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

2. **Inactive / Dormant Accounts.** We are required by law to preserve an Account that is inactive. An Account is considered inactive if there has not been a debit or credit to the Account for more than one year by you or your agent (other than the Credit Union) and you have not communicated with us. If you have not made a withdrawal from, deposit to, or transfer involving your Account, and we have had no other sufficient communication with you within the period specified by state law, we may classify your Account as a Dormant Account. Funds in Dormant Accounts are reported and remitted in accordance with state law. Once the funds are turned over to the state, the Credit Union has no further liability to you for such funds. To collect such funds, you must apply to the appropriate agency.

3. **Address Changes.** It is your responsibility to notify the Credit Union of address changes. Any communications or statements sent by the Credit Union are deemed proper if sent to the last address you supplied to the Credit Union.

4. **Account Statements.** You are responsible for promptly examining each Account statement. Any objection that you may have regarding any unauthorized withdrawal, any payment order (including a wire transfer), or any other item or deposit shown on or missing from a statement, except for electronic funds transfers and claims related to Substitute Checks as further provided in this Account Agreement below, will be waived unless

made in writing to us, and received on or before the 30th calendar day following the date the statement is mailed or, if you are receiving e-statements, on or before the 30th calendar day following the date the statement is made available at the Credit Union's Online Banking Service. You will receive an Account statement monthly for your Checking Accounts. You will receive an Account statement at least quarterly for your Savings Accounts. It is your responsibility to ensure that your Account statements are received, and you agree and understand that we will not be responsible for the loss or theft of your statements. You agree to notify us immediately if you fail to receive a statement for your Accounts.

You agree and understand that we will not be liable for any unauthorized withdrawal, any payment order, any forged or altered item drawn on or deposited to your Account, any item with missing signatures or endorsements, any missing or diverted deposits, or any other error or discrepancy if you fail to notify us within that thirty (30) calendar day period, nor will we be liable for any forged or altered item if the forgery or alteration is not readily ascertainable upon inspection. Unless we adopt alternative procedures from time to time, checks drawn on your Account will not be returned to you and copies of checks will be made available to you upon your request. That notwithstanding, you agree that your duty to examine statements promptly, and your obligation to notify us in the event of any error is not waived or diminished in any respect by our retention of checks drawn on your Account. You agree that checks are deemed to be "made available" to you by your receipt of your statement and your ability to request copies of those checks. You agree that, if we take a check for processing for collection or payment by automated means, reasonable commercial standards do not require us to examine the check and that any such failure to examine shall not constitute a lack of ordinary care in the payment of that item. We will charge a fee for check copies, as set forth in the Truth-In-Savings Fee Schedule. Refer to the Electronic Fund Transfers Disclosure and Agreement, as set forth in this Agreement, to determine your notification obligations in the event of unauthorized electronic fund transfers or other errors in connection with such errors. You acknowledge that we employ an automated collection procedure in order to more efficiently handle the high volume of items we process, and for that reason, our procedures generally do not include sight-review of items. You acknowledge and agree that reasonable commercial standards do not require us to sight-review every check presented and that any failure to sight-review does not constitute a lack of ordinary care in the payment of any item.

5. **Legal Process and Claims Regarding your Account.** If the Credit Union is served with a legal action or similar order relating to your Account, we will comply with that legal action. You agree that we may debit your Account for an administrative fee as set forth in the Truth-In-Savings Fee Schedule, for processing legal actions including bankruptcies, court orders, levies, garnishments, attachments, tax levies or withholding order, Texas Workforce Commission freezes, sales tax pledges, injunctions, restraining orders, subpoenas, search warrants, government agency request for information, forfeitures or seizures and other legal process relating to your account. You further agree that we may debit your Account, to the extent not otherwise prohibited by law, for attorneys' fees and other charges and costs in connection with the production of statements, items, or other documents in connection with legal processes. You agree that, except as required by law, any levy, attachment, or garnishment against your Account will be subject to our statutory and contractual liens set forth below, and you authorize us to exercise that contractual lien whether or not any outstanding obligation is in default, subject to applicable law. Without prior notice to you, we may hold funds in your account subject to a claim or we may pay the source of the claim when we receive any notice, claim or court order which we believe may affect your account such as liens, garnishments, attachments, levies, injunctions, or other orders of a court or other governmental agency, regardless of the form or manner in which we receive the notice, claim, or court order and regardless of whether we are a named party to the notice, claim, or court order. We will not be responsible for refusing to let you withdraw funds from an account or refusing to pay checks written on the account during the time we are holding funds in your account because of the claim, or after we have paid funds to the source of the claim. We may comply with legal process even though it affects the interests of only one owner of a joint account.

6. **Statutory Lien.** If you fail to satisfy any outstanding financial obligation with the Credit Union, state law gives us the right to apply the balance in your Account to satisfy that obligation, and we may exercise this right at any time without further notice to you. State law grants us the right to impress a lien on all funds in any Account that you have with us if you are in default or otherwise fail to satisfy a financial obligation with us. We may exercise this right without further notice to you. This lien applies to all Accounts that you have with us, to the extent permitted by law, including any Account that you hold jointly with another person. Notwithstanding anything herein to the contrary, any loan subject to the federal Military Lending Act made to a "Covered Borrower" will not be subject to this statutory lien unless permitted by law.

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

Borrower" will not be subject to this contractual lien unless you have provided a consensual security interest in your Account in connection with such loan, in accordance with the requirements of the Military Lending Act.

8. **Dispute Resolution.** If we suspect that fraudulent conduct is or has taken place with respect to any Account; if we are notified that an Owner of an Account has died or is incompetent to manage his or her affairs; if we have been notified that a dispute exists between or among parties to the Account or third parties with regard to their respective interests in the Account; if there are competing claims to funds on deposit; or if we are in doubt concerning the respective interests of any parties to an Account, or other persons claiming interest in the Account, we may: (a) interplead all or any portion of the funds from the Account into an appropriate court for resolution; or (b) freeze all or part of the funds on deposit and restrict withdrawals from the Account and deny other transactions such as deposits until we are satisfied that any obligation we may have at law and under this Agreement has been met or until any such dispute, doubt, suspected fraudulent conduct or probate matter has been resolved by a court of competent jurisdiction, by written settlement agreement entered into by all Owners to the Account and any third party making claim to funds in any such Account, or in any other manner to our satisfaction. You agree, further, that we may recover any costs we incur (including, without limitation, attorneys' fees or court costs expended) in connection with the foregoing, which fees will be payable by you directly out of the Account made the subject of any such doubt, dispute, misconduct, or probate, or out of any other Account in which you have an interest. In addition, you agree that we may impose withdrawal limitations on any of your Accounts at any time, including limiting your ability to access certain electronic services or otherwise, if you are delinquent under any obligation you owe to the Credit Union.

9. **Durable Power of Attorney.** We accept durable power of attorney documents in accordance with applicable law. You agree that we will have a reasonable time to review the power of attorney or other legal documents presented to us. The principal under a durable power of attorney must be an existing Credit Union member at the time the durable power of attorney is presented. An agent will not be allowed to open a new membership share Account for a principal using a durable power of attorney. An agent will not be allowed to use a durable power of attorney to name himself or herself as a joint owner on a principal's Account. We will require certification from the agent that they have the authority to act on behalf of the principal. You agree to indemnify us from acting under your durable power of attorney if your agent represents to us that he or she has the authority to act on your behalf, and we reasonably have no indication otherwise. You also agree to indemnify us for any claims that arise against us because of our reliance on your durable power of attorney. Termination of a durable power of attorney is not effective until we receive actual notice of the termination and have time to act on such notification. If you die or become incompetent, the authority of your agent may end. We will continue to honor any power of attorney or item signed by your agent until we are notified in writing of your death or an adjudication of incompetence and have had a reasonable opportunity to act on such knowledge. We reserve the right to reject a durable power of attorney in accordance with state law and power of attorney documents that are not durable powers of attorney.

10. **Withdrawal of Services.** In the event that any Credit Union member causes a loss to the Credit Union, or makes known his or her intention to cause a loss to the Credit Union, whether by way of loan default, Account overdraft, discharge in bankruptcy, misuse of Account, or otherwise, or in the event that any Credit Union member has been abusive in the conduct of his/her affairs with the Credit Union, it is the policy of the Credit Union to withdraw member services otherwise extended to that member including, but not limited to, the right to maintain Accounts at the Credit Union and the right to payment of dividends. To the extent allowed by applicable law, regulations, and the Credit Union's bylaws, your Credit Union membership may be terminated if you cause a loss to the Credit Union.

11. **Closing the Account.** Any Owner of an Account may close the Account at any time upon providing a verbal or written notice to the Credit Union. However, with respect to a Joint Account, an Owner may close the membership share Account only if he/she is a Joint Owner on the membership share Account. Your right to close an Account is subject to any statutory or contractual lien existing in the Credit Union's favor and any legal process levied against any such Account. If we pay any item or payment order after your Account is closed, you agree to reimburse us. The Credit Union may close an Account at any time and disburse funds on deposit in any such Account to the Owners of the Account in any manner we deem appropriate, if (a) any of the events described in paragraphs 5, 7, 8, or 10 of these General Provisions arises; (b) the Credit Union believes that it may suffer a loss if the Account is not closed or we believe that the volume of Account activity exceeds that which we can reasonably and safely process; (c) the Credit Union determines that any member or that any Owner to or party claiming an interest in the Account has been abusive in the use of the Account or in the conduct of his or her affairs with the Credit Union; (d) our attempts to verify your identity have failed; (e) you do not cooperate with our reasonable requests in connection with maintenance of your Account; (f) you engage in illegal transactions or unlawful activity with your Account; or (g) there has been a change in Account ownership or a change with regard to the persons authorized to sign on the Account.

12. **Death of Account Owner.** We may continue to accept deposits to an Account, pay items drawn against an Account, pay other payment orders against an Account, and allow any other transactions with respect to an Account until we are notified of an Account Owner's death, and we have a reasonable opportunity to act upon any such notice. Subject to our policies and procedures, and subject to any separate agreement we may enter into with any surviving Owner of the Account, once we are notified of an Owner's death we may pay items drawn against the Account or other payment orders authorized by the deceased Account Owner for a period of ten (10) days after the Account Owner's death unless we are ordered to stop payment by a person claiming an interest in the Account. We may require any person claiming an interest in the Account to indemnify us against any losses arising out of the payment of any such claim, and this Account Agreement will be binding upon the heirs or legal representatives of any deceased Account Owner. We may continue to pay dividends/interest on an Account until it is closed. If any surviving Joint Owner is a member of the Credit Union, we may require that the Account be closed, and the funds transferred to the surviving Joint Owner's Account.

13. **Attorney's Fees.** In addition to any other rights we may have at law or under this Agreement to recover fees, and to the extent permitted by applicable law, we shall be entitled to recover reasonable attorneys' fees and costs expended in connection with the enforcement of this Agreement

and the defense of any rights we may have under this Agreement, regardless of whether we elect to bring suit for those purposes, and you authorize the Credit Union to deduct any such fees and costs from your eligible Accounts without prior notice to you. This paragraph shall not apply to recovery of attorneys' fees for an arbitration proceeding as set forth in this Agreement.

14. **Amendment.** You agree that we may amend this Agreement, the Truth-In-Savings Disclosure and Rate and Fee Schedule, and any notice, agreement or policy made a part of this Agreement, from time to time in our sole discretion, subject to applicable law. We may agree in writing to waive a term of this Agreement, including a fee, and we may revoke any waiver.

15. **Severability.** If any provision of this Agreement shall be declared invalid, unenforceable, or illegal, that part will not affect the validity, enforceability, or legality of any other provision. Any invalid term will be considered modified by us and applied in a manner consistent with such laws.

16. **Reopened Accounts.** Should your Account be closed at any time by withdrawal of the balance of the Account, and later re-opened by you, such re-opened Account shall be subject to all of the terms and conditions of this Agreement, whether or not any new Application or other Account agreement is signed. We will charge a fee for reopening your Share Account, as set forth in the Truth-In-Savings Fee Schedule.

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

18. **Governing Law.** This Agreement shall be governed by applicable state and federal credit union laws and regulations, the Credit Union's Bylaws, and to the extent not pre-empted by federal law, the laws of the State of Texas. Venue is proper in the county where the Credit Union's principal office is located.

19. **Record Retention.** You understand and agree that the Credit Union intends to scan any or all documents relating to your Account and scanned documents may be stored electronically. You also understand and agree that we may not retain the original documents, and that an electronically stored image of the documents will have the same effect as and will serve as an original.

20. **Credit Reports.** You and any joint applicant authorize the Credit Union to obtain consumer credit reports from credit reporting agencies and verify employment in connection with any Credit Union Account for which either of you apply. You and any joint applicant authorize and understand that the Credit Union may obtain such reports at any time after the establishment of an Account. Also, you and any joint applicant authorize the Credit Union to use consumer credit reports to consider either of you for other products and services with Credit Union. We may report information about your Account to credit bureaus. Late payments, missed payments, or defaults on your Account may be reflected in your credit report.

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

Credit Union of Texas
Attn: Credit Disputes
P.O. Box 7000, Allen, TX 75013-1305

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

22. **Illegal Transactions.** You understand and agree to comply with applicable law in maintaining your Accounts with us, including without limitation, United States economic sanctions laws and regulations issued by the United States Department of the Treasury, Office of Foreign Assets Control, and Presidential Executive Orders. The Credit Union is prohibited from processing illegal transactions through your Accounts or through our relationship with you, including unlawful Internet gambling transactions. You may not use your Account in any manner or for any transaction that we believe poses an undue risk of illegality, and we may refuse to process or authorize any such transaction. If you engage in illegal transactions or unlawful activity, we may also impose restrictions on your Account or we may close your Account. You waive any right to take legal action against the Credit Union for any illegal use or transactions, and you agree to indemnify, defend, and hold harmless the Credit Union and any third-party processors from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use or transactions.

23. **Consent to Call Recording or Monitoring and Consent to Receive Communications.** Incoming and outgoing calls at the Credit Union may be monitored or recorded for quality assurance. By placing or receiving a call, you consent to such recording or monitoring. To provide you with the best possible service in our ongoing business relationship for your Account the Credit Union may contact you about your Account from time to time by telephone, text messaging, or email. However, we must first obtain your consent to contact you about your Account because we must comply with the consumer protection provisions in the Federal Telephone Consumer Protection Act of 1991 (TCPA), CAN-SPAM Act, and their related federal regulations and orders issued by the Federal Communications Commission (FCC).

- Your consent is limited to your Account(s), and as authorized by applicable law and regulations.

- Your consent does not authorize the Credit Union to contact you for telemarketing purposes (unless you otherwise agreed elsewhere).

With the above understanding, you authorize the Credit Union to contact you regarding your Account throughout its existence using any telephone numbers or email addresses that you have previously provided to the Credit Union or that you may subsequently provide to the Credit Union.

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You further authorize the Credit Union to contact you through the use of voice, voice mail, and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device. If necessary, you may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us. To stop receiving communications through your cellular wireless number, please contact us at 214-818-3231, through live chat within our Online and Mobile Banking Service, or at www.cutx.org, or any other reasonable means convenient to you to notify us.

24. **ATM Security.** Automated Teller Machines provide quick, convenient access to your Accounts, but there are some safety precautions you should always take when visiting an ATM.

Keeping your ATM/Debit card secure:

- Protect your ATM/Debit card as if it were cash. To report a lost or stolen CUTX card, immediately call 214-818-3231 or 866-820-1075. Safeguard your Personal Identification Number (PIN). Never leave your receipt behind, even with an incomplete transaction. Do not give out any information about your ATM/Debit card over the telephone.
- Check receipts against your monthly statement to guard against fraud.
- If your card has an embedded chip, please keep the card in a safe envelope to avoid undetected and unauthorized scanning.
- If your card is lost or stolen, immediately call us to reduce the chance that it will be used improperly. Immediate notice of a lost or stolen card will also limit your potential liability for unauthorized transactions.
- Never disclose information about your card in response to an unsolicited e-mail, internet, or phone request. E-mail is a common channel for fraud perpetration. Never provide your debit or credit card number, PIN, or any other non-public personal information to anyone, unless to a trusted merchant in a call or transaction initiated by you. CUTX will never ask you for your PIN.
- Review your Account statements for unauthorized transactions. Promptly report any errors to us.
- ATM transactions and PIN debit purchases require the use of a secret code known as a personal identification number or PIN. Memorize your PIN; NEVER write it on your card or store it with your card. Never let anyone else enter your PIN for you. If making a purchase online, end transactions by logging out of the website instead of just closing the web browser.

Security at Walk-Up and Drive-Up ATMs/ITMs:

- Always observe your surroundings before conducting a transaction. Minimize your time at the ATM/ITM, have your card out and ready to use. Give people ahead of you space to conduct their transactions. Block the view of others when using the ATM/ITM. If an ATM/ITM is obstructed from view or poorly lit, go to another ATM/ITM.
- If you see anyone or anything suspicious while conducting a transaction, cancel your transaction and leave immediately.
- Inspect ATM/ITM machines before use for possible tampering, or for the presence of an unauthorized attachment that could capture information from the card or your PIN.
- Refrain from displaying cash by putting it away as soon as possible. Only count your cash when you feel it is safe to do so.
- Shield the keypad as necessary when entering your PIN and transaction amount so that others cannot observe the entry.
- Always save your ATM/ITM receipts; never leave them at the ATM/ITM because they may contain important account information.

25. **Consent to Receive Certain Electronic Notifications.** You understand and agree that certain communications that may be delivered in writing may also be delivered by electronic means if permitted by applicable law and regulation, including the website (www.cutx.org), electronic newsletters, or any other form of electronic notification that may be used by the Credit Union from time to time. You hereby consent to receive such communications by electronic means. However, communications that require compliance with the E-Sign Act or the Uniform Electronic Transaction Act, as applicable, will continue to be sent in accordance with that Act or any successor act.

26. **Limitations on Account and Services for Members Who Reside in Non-US Countries or Territories:** The Credit Union may limit, refuse, close or terminate any account or service if: (1) we deem it necessary due to legal/regulatory requirements of a foreign country that are not directly applicable to US residents; or (2) we deem it to be in the Credit Union's best interests to not provide accounts or services due to potential exposures or obligations under non-US laws, rules or regulations.

27. **Additional Terms**. We may offer to you, from time to time, additional services related to your account. These services may be subject to the terms and conditions set forth in a separate agreement. In addition, we may make available to you additional services that may be used in connection with your account that are provided by other parties. The terms of any services offered by the other party may be set forth in an additional agreement between you and the other party.

28. **Consent to Binding Arbitration.** You and We agree to attempt to informally settle any disputes arising out of, affecting, or relating to Your Accounts or your relationship with Us. If we informally settle any such dispute, You and We agree that any claim or dispute between You and Us

(individually a "Claim") based on conduct, activities, actions, or omissions that occur on or after the Effective Date (defined below) of this Consent to Binding Arbitration (this "Consent"), and which arises out of or relates to the Account Agreement, Your Accounts or Your use of our products or services, shall, at the election of either You or Us, be resolved by BINDING ARBITRATION administered by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures for consumer disputes ("Rules"), whether such Claim is in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at www.adr.org, or a copy of the Rules can be obtained at any Credit Union branch location upon request. AS A RESULT, OF THIS CONSENT AND THE TERMS AND CONDITIONS HEREOF, YOU ARE AGREEING TO RESOLVE ANY CLAIM YOU MAY HAVE AGAINST CREDIT UNION OF TEXAS THROUGH ARBITRATION, WHICH MEANS THAT YOU WILL NOT HAVE THE RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS AGREEMENT OR RESOLVE ANY CLAIM, AND WILL NOT HAVE THE RIGHT TO A JURY TRIAL (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN JUSTICE COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN JUSTICE COURT). This Consent will be interpreted and enforced in accordance with the Federal Arbitration Act ("FAA"), codified under in Title 9 of the United States Code ("U.S.C"), to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claim. The Texas Arbitration Act will not apply to this Consent or to any Claim(s) between You and Us. You acknowledge that this Consent does not prevent you from submitting any issue relating to Your Accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity from seeking relief on Your behalf.

By consenting to BINDING ARBITRATION, via this Consent, You understand and agree to the following terms:

- SELECTION OF ARBITRATOR: If a Claim exists that must be resolved via binding arbitration, Your rights will be determined by a neutral arbitrator and NOT a judge or jury, in accordance with all applicable laws and Rules. The neutral arbitrator will be selected in accordance with the Rules and must have experience and knowledge in financial transactions. In the event of a conflict between the Rules and this Consent, this Consent will control over the conflicting Rules to the extent of the inconsistency. If AAA is unavailable to resolve the Claim, and if You and We do not agree on a substitute, then You can select the appropriate forum for arbitration of the Claim.
- EFFECTIVE DATE: This Consent is effective immediately on the day You open Your membership Account with us ("Effective Date"). However, You have sixty (60) calendar days after we provide you at account opening with a copy of Our Account Agreement and Disclosures, which includes this Consent, to opt-out in accordance with the requirements of the RIGHT TO OPT-OUT provision below. The sixty (60)-calendar day timeframe begins on the date You first open an Account with Us. If You timely opt-out, We will consider that this Consent never applied to You.
- CLAIMS ARISING PRIOR TO EFFECTIVE DATE: **THIS CONSENT APPLIES TO ALL CLAIMS BASED ON CONDUCT, ACTIVITIES, ACTIONS, OR OMISSIONS THAT OCCUR ON OR AFTER THE EFFECTIVE DATE**. To the extent a Claim involves conduct, activities, actions, or omissions that occur prior to the Effective Date, this Consent will not apply to such pre-Effective Date conduct, activities, actions, or omissions, but this Consent WILL apply to all conduct, activities, actions, or omissions occurring on or after the Effective Date.
- ARBITRATION PROCEEDINGS: Arbitration proceedings provide You with a fair hearing and opportunity to resolve your Claim, and the arbitration procedures and rules are simpler than the procedures and rules applicable in a court of law. Discovery will be available for non-privileged information to the fullest extent permitted under the Rules. Any defenses that would apply to a Claim if it were brought in a court of law will apply in any arbitration proceeding between us, including defenses based on the expiration of the applicable statute of limitations or otherwise relating to the timeliness of the initiation of the Claim, and the commencement of an arbitration proceeding under this Consent will be deemed the commencement of an action for such purposes. Arbitration decisions are as enforceable as any ruling by a court of law, are subject to very limited review by a court of competent jurisdiction and cannot be appealed. Arbitrators can award the same remedies, including damages, injunctive relief on an individual basis, and other remedies that a court of law can award. Any determination as to whether this Consent is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including, without limitation, any issues relating to whether a Claim is subject to arbitration.
- CLASS ACTION WAIVER: ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT AGAINST CREDIT UNION OF TEXAS.
- LOCATION: The place of arbitration shall be within fifty (50) miles of Your residence at the time the arbitration is commenced.
- COSTS: Arbitration fees will be allocated according to the applicable Rules. If We prevail, We may not recover Our arbitration fees from You, unless the arbitrator decides that Your claim was frivolous.
- ATTORNEYS' FEES: In the event of any arbitration conducted hereunder, the prevailing party shall be entitled to recover from the losing party all reasonable attorneys' fees and costs incurred by the prevailing party in connection with the arbitration. The arbitrator(s) shall determine which party is the prevailing party.
- SEVERABILITY: In the event that the Class Action Waiver in this Consent is found to be unenforceable for any reason in relation to a Claim involving class action allegations, the remainder of this Consent shall be unenforceable in regard to that specific Claim. If any provision in this Consent, other than the Class Action Waiver for a specific Claim, is found to be unenforceable, the remaining provisions will remain in full force and effect.
- SURVIVAL: This Consent shall survive termination of the Account Agreement or Your banking relationship with Us including the bankruptcy of any party and any sale of Your Account, or amounts owed on Your Account, to another person or entity.
- AMENDMENT/TERMINATION: We reserve the right to amend or terminate this Consent, provided that We notify You in writing at least thirty (30) calendar days prior to such amendment or termination taking effect. Notwithstanding anything in the Account Agreement or this Consent to the contrary, any amendment or termination of this Consent shall not apply to any Claim(s) to the extent that they accrued prior to the effective date of such amendment or termination.
- RIGHT OF OPT-OUT: You have the right to opt out of this Consent, provided that You notify Us of Your intent to opt-out within sixty (60)

calendar days after We provide You with this Consent at Account opening. Your opt-out is only effective if You notify us in writing at Credit Union of Texas, Attention: Member Services Department, P.O. Box 7000, Allen, Texas 75013, within such sixty (60) calendar daytime period. Your notice should clearly state that You are opting out of the Consent for Your accounts. If You fail to opt-out within this sixty (60) calendar daytime period, You will be deemed to have provided Your consent to the resolution of your Claims through binding arbitration, as of the Effective Date. In the event You opt-out of this Consent, such opt-out will not affect other terms and conditions of Your Account Agreement.

- FOR MORE DETAILS or if You have questions, you may call Us or visit a branch. If you have questions about AAA procedures, You should check AAA's website, www.adr.org. You understand that any debt or Loan obligation You may have with Us that is subject to the federal Military Lending Act is not subject to this Consent.

OVERDRAFT PROTECTION SERVICES

1. **Overdraft Liability.** You agree to maintain sufficient available funds in your Accounts at all times to pay any withdrawal or payment order, whether by check or electronic funds transfer ("**EFT**"), including debit card transactions and ACH transactions (collectively, an "**item**") presented for payment or settlement against your Account. If you do not have sufficient available funds in your Account at the time an item is presented for authorization, payment, or settlement (an "**overdraft item**"), we may, but are not required to, pay such overdraft item in accordance with these Overdraft Protection Services terms and conditions.

2. **Available Balance**. We determine whether your Account is overdrawn based on the "**available balance**" as calculated at the time each item is presented for payment or settlement against the Account. The available Account balance may be different than the actual Account balance because the available balance reflects funds that are already allocated for another item, for example, a pending transaction that has not yet settled to your Account. We calculate your available balance both at the time the merchant presents the transaction for authorization and again when the merchant presents the transaction for settlement. After authorization of a debit card transaction, your available balance will be reduced if a subsequent item is presented for payment, authorization, or settlement. Please be aware that holds placed on your Account for pending EFT transactions, such as hotel or rental car deposits, reduce your available balance and may cause your Account to become overdrawn.

3. **Priority of Overdraft Protection Services.** CUTX offers overdraft protection services for your Account, under the following two overdraft protection programs, when an item is presented for payment or settlement that exceeds your available balance: Overdraft Sweep and Overdraft Protection ("**ODP**"). When an overdraft occurs on your Account, CUTX will apply overdraft protection services in the following order, as available and applicable: (a) Overdraft Sweep: (i) funds transfer from your other CUTX deposit accounts, (ii) funds transfer from your personal line of credit; (b) ODP.

4. **Overdraft Sweep Program.** Our Overdraft Sweep Program is the first line of protection against an overdraft item. If your Account does not have sufficient available funds to pay an item, we will automatically transfer available funds from one or more linked Eligible Funding Accounts to cover the overdraft item ("**Overdraft Sweep**"). Funds will be transferred in increments that we deem sufficient to pay each overdraft item or otherwise remedy the overdraft, together with all overdraft fees we impose for each Overdraft Sweep as set forth in the Truth-In-Savings Fee Schedule. Any Overdraft Sweep will be made in accordance with CUTX's account-linking rules and transfer priorities in effect at the time of the transaction per any CUTX Overdraft Protection Services guidelines. If sufficient funds are not available through the Overdraft Sweep Program to cover an overdraft item, the overdraft item will be subject to the ODP Program described below, to the extent available and applicable.

   "**Eligible Funding Accounts**" include:

   (a) your share account;

   (b) any other CUTX deposit account you own (excluding Holiday Savings, IRA, and Certificate of Deposit accounts); or

   (c) eligible personal line of credit you have with us (excluding HELOCs).

5. **ODP Program.** Our ODP Program is designed to assist eligible members in managing occasional, short-term cash-flow shortfalls, mistakes, or emergencies. If you do not have sufficient funds in your Account, we may, at our sole discretion, pay overdraft items presented against your Account under the ODP Program, to the extent available and applicable, and in accordance with applicable law.

   (a) The ODP Program consists of two separate overdraft protection services, Privilege Pay and Reg E Debit Card Opt-In / Opt-Out Overdraft Protection ("**Reg E ODP**"), each covering different transaction types or items:

   - **Privilege Pay.** Privilege Pay covers overdraft items presented against your Account for recurring debit card transactions, ACH transactions, and checks. Privilege Pay coverage is automatic for eligible members, and no separate opt-in is required for these transaction types. If you do not want to receive Privilege Pay coverage, you may opt out of such coverage by calling us at (214) 818-3231 or toll-free at (800) 627-0006, emailing help@cutx.org, or visiting your local branch. Your opt-out request will be processed promptly, and we will confirm the change to your Account. It is important for you to consider that if you choose not to participate in Privilege Pay, you are instructing us not to pay item(s) presented against your Account which exceed the available balance. A non-sufficient funds ("**NSF**") fee may be charged for each item returned on your Account, as set forth in the Truth-In-Savings Fee Schedule.
   - **Reg E Debit Card Opt-In / Opt-Out Overdraft Protection.** Reg E ODP covers overdraft items presented against your Account

for ATM withdrawals and one-time (point-of-sale) debit card transactions ("**ATM/POS transactions**"). **IMPORTANT: Coverage for ATM and one-time debit card transactions is NOT automatic.** To access Reg E ODP, you must affirmatively consent to the additional Reg E ODP terms and conditions found in our *What You Need to Know about Our Overdraft Protection Services* form. If you do not Opt-In to Reg E ODP, ATM/POS transactions that exceed your available balance will be declined rather than paid. No overdraft fees will be assessed for declined ATM/POS transactions. If you Opted-In for Reg E ODP, but later want to revoke your consent for protection, you may do so by calling us at (214) 818-3231 or toll-free at (800) 627-0006, emailing help@cutx.org, or visiting your local branch.

(b) ODP Program Eligibility; Suspension and Termination. To be eligible for the ODP Program, your membership and Account must be in good standing, as defined by our policies. All consumer checking Accounts that are in good standing and have been open for at least 60 days qualify for the ODP Program. We may suspend or permanently restrict your access to the ODP Program at any time, in our sole and absolute discretion, including in any of the following circumstances:

- The primary owner of the Account is under the age of 18;
- Your Account is classified as "inactive;"
- Your Account is in review for fraudulent activity or transactions;
- Your Account has not reflected a positive balance within the prior 30 days;
- You are 20 days or more past due on any CUTX loan or delinquent on any other obligation to CUTX;
- You are subject to any legal or administrative order, levy, or are currently a party in a bankruptcy proceeding;
- ChexSystems or any other negative indicator has been reported to us;
- You have an unresolved prior loss with CUTX;
- CUTX does not have a valid mailing address for you;
- CUTX has otherwise determined that you are not managing the Account responsibly, creating risks to you or CUTX; or
- For any other reason we deem appropriate in our sole discretion.

(c) ODP Limits. The combined ODP Program coverage under both Privilege Pay and Reg E ODP is limited to a maximum of $800. We may suspend, revoke, or change ODP Program privileges at any time and without prior notice unless required by applicable law.

6. **Overdraft Fees.** If we pay overdraft items for you, we will charge your Account an overdraft fee for each Overdraft Sweep or each overdraft item paid under the ODP Program, as applicable and as set forth in the Truth-In-Savings Fee Schedule. The order in which we process items can affect the total amount of overdraft items we pay and overdraft fees you incur. If your available balance is not sufficient to cover an item at the time the item is presented for authorization, payment, and/or settlement, you will incur an overdraft fee for that item and for each subsequent item presented for authorization, payment, or settlement until you resolve all overdrafts in your Account and the available balance is sufficient to cover the dollar amount of all items presented for authorization, payment, or settlement against the Account.

   (a) Authorize Positive, Settle Negative. Sometimes an EFT is approved at the time you make it because your available balance is sufficient to cover the EFT, but by the time the EFT actually settles to your Account, your available balance no longer covers the EFT because, for example, other items posted to your Account after the EFT was authorized but before the EFT settled to your Account. If your available balance is not sufficient to cover the EFT at the time it settles to your Account, your Account may become overdrawn, and an overdraft fee may be assessed, even though the EFT was approved at the time you made it. To help avoid this, we recommend that you track your spending and monitor your Account balance regularly through online banking, our mobile app, or by contacting us directly.

   (b) No Grace Amount or Daily Fee Limit. CUTX will assess an overdraft fee for each overdraft item, regardless of the amount of the overdraft item, the amount by which it causes your Account to be overdrawn, or the number of overdraft items.

7. **Payment Order of Items.** CUTX will generally cover overdraft items in the order of presentment for payment or settlement, which may affect the number of overdraft items or returned items and the total amount of overdraft or NSF fees you incur. However, CUTX reserves the right to process items in any order as described in Section 1 (Payment Authorization) of the Checks and Withdrawals terms and conditions of this Agreement. To avoid fees, you must closely record and track your transactions so that your available balance is sufficient to cover all items at all times.

8. **Member Responsibilities for Negative Balances.** You are responsible for promptly repaying any negative balance in any of your Accounts, including amounts resulting from overdrafts, returned items, fees, or multiple presentments, regardless of who initiated or benefited from the transaction. If we pay an overdraft item, 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 the amount by which that Account is overdrawn, together with all fees. 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 overdraft items and all fees, or to use any other collection remedy available to us by law. Each party to any of your Accounts will be jointly liable for overdrafts caused by any other party to the Account. Any deposits made to your overdrawn Account will be applied to the negative balance, including any amount you owe as a result of your use of the overdraft protection services and all fees charged to your Account as set forth in the Truth-In-Savings Fee Schedule.

9. **Account Closure; Negative Credit Reporting.** CUTX does not report negative information to consumer reporting agencies solely because you access or use the overdraft protection services. However, if you overdraw your Account and fail to bring your Account to a positive balance within 60 days, we may close your Account and report negative account information to consumer reporting agencies in accordance with your Account Agreement. The closure of your Account does not eliminate your obligation to repay the negative Account balance, fees, and any other amounts owed, and we retain the right to pursue collection of any amount you owe us through all available means.

10. **Limitation of Liability.** Our overdraft protection services are non-contractual, discretionary services, and we are not obligated to pay any item presented against insufficient funds, even if we have done so in the past. If we pay an overdraft item when your Account does not have sufficient funds, you agree to promptly repay the overdrawn amount. We are not required to notify you before paying, returning, or dishonoring any item due to insufficient funds. We are not liable for any loss or damage resulting from the payment or nonpayment of any item, except as required by law. We are under no obligation to pay any item (i) the amount of which exceeds the available balance in your Account at the time the item is presented for payment or settlement against the Account, or (ii) that would exceed limitations imposed upon the Account under our policies and procedures, or under applicable law. Prior payment of overdraft items does not create an obligation for us to continue to pay future overdraft items. If we determine, in our sole and absolute discretion, to discontinue payment of overdraft items for your Account, we may do so at any time and without prior notice, unless notice is required by applicable law.

11. **No Waiver; Reservation of Rights.** CUTX's forbearance from, or delay in, exercising any of our rights, remedies, or privileges under these Terms or your Account Agreement shall not be construed to be a current or future waiver of our rights, remedies, or privileges. Our payment of any item does not constitute a waiver of our right to dishonor any subsequent item presented for payment or settlement.

YOUR ABILITY TO WITHDRAW FUNDS FROM YOUR CHECKING ACCOUNT

This policy applies to transaction Accounts. Checking Accounts are the most common transaction Accounts. The Credit Union reserves the right to delay the availability of funds deposited to Accounts that are not transaction Accounts for periods longer than those disclosed in this policy. Please ask us if you have a question about which Accounts are affected by this policy.

Our policy is to make funds from your check deposits to your checking Account available to you on the first business day after we receive your deposit. Cash deposits, electronic direct deposits, and incoming wire transfers will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash, and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

Determining the Availability of a Deposit
For determining the availability of your deposits, every day is a business day, except Saturday, Sunday, and the Federal holidays. If you make a deposit before our established cutoff time on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after our cutoff time, or on a day we are not open, we will consider the deposit was made on the next business day we are open.

Our established cutoff time is when a Branch closes (6:00 p.m. Central Time) for business. The cutoff time for Credit Union-owned automated teller machines or interactive teller machines (ATMs/ITMS) is 2:00 p.m. Central Time.

Longer Delays May Apply
In some cases, we will not make all of the funds that you deposited by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first $275 of your deposits may be available on the first business day. In addition, for checks deposited at Credit Union-owned ATMs/ITMS, the first $275 of your deposit will be available on the first business day after the day of your deposit. The remaining funds will be available by the second business day after the day of your deposit.

For example, if you deposit a check of $1,000 on a Monday, $275 of the deposit is available on Tuesday. The remaining $725 is available on Wednesday.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to a Credit Union employee, or if we decide to take this action after you have left the premises, we will mail you the notice by the first business day after we receive your deposit. If you need the funds from a deposit right away, you should ask us when the funds will be available.

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

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than $6,725 on any one day.
- You redeposit a check that has been returned unpaid.

- You have overdrawn your Account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons and will tell you when the funds will be available. The funds will generally be available no later than the seventh business day after the day of your deposit.

Special Rules for New Accounts
If you are a new member, the following special rules will apply during the first 30 calendar days your Account is open. Funds from electronic direct deposits, incoming wire transfers, and cash deposits made with an employee at a branch location or at a Credit Union owned ATMs/ITMs will be available on the same business day that we received the deposit. Funds from the first $6,725 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the check must be payable to you. The excess of over $6,725 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $6,725 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will generally be available no later than the ninth business day after the day of your deposit.

Holds on Other Funds (Check Cashing)
If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your Account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

SUBSTITUTE CHECKS AND YOUR RIGHTS (Check 21)

The Check Clearing for the 21st Century Act (Check 21) is only applicable to Accounts held by a natural person used primarily for personal, family, or household purposes.

There is some important information for you to know about substitute checks and your rights.

What Is a Substitute Check? To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks, with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment, just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your Account. However, you have rights under other law with respect to those transactions.

What Are My Rights Regarding Substitute Checks? In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your Account (for example, if you think that we withdrew the wrong amount from your Account or that we withdrew money from your Account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your Account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your Account is an interest-bearing Account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to $2,500 of your refund (plus interest if your Account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your Account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your Account.

How Do I Make a Claim for a Refund? If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your Account, please contact us at 214-818-3231 or 800-627-0006 or by writing to us at Credit Union of Texas, P.O. Box 7000, Allen, TX 75013-1305. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the Account statement showing that the substitute check was posted to your Account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:
- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect).

- An estimate of the amount of your loss.
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check, and the amount of the check.

ELECTRONIC FUNDS TRANSFER DISCLOSURE AND AGREEMENT

The Electronic Funds Transfer Act (Regulation E) is only applicable to Accounts held by a natural person used primarily for personal, family, or household purposes. Regulation E does not apply to business, association, or organizational Accounts.

This Electronic Funds Transfer Agreement covers your and our rights and responsibilities concerning the electronic funds transfer (EFT) services offered to you by the Credit Union. Electronic funds transfers are electronically initiated transfers of money from your Account through EFT services described below and additional EFT services that may be provided to you by us from time to time. You agree that the use of EFT services by you shall be governed by the terms of your Account Agreement with us, as well as the terms and conditions in this Electronic Funds Transfer Agreement and Disclosure. All EFT services provided are subject to approval. Additional terms, conditions, and disclosures may be furnished at the time you arrange for or enroll to use a service, and such terms and conditions will apply to the use of that service in addition to these terms.

1. **ATM Card or Mastercard® Debit Card (Card).** With your card, you may use your personal identification number (PIN) at automated teller machines (ATMs/ITMs) of the Credit Union, Pulse, Mastercard®, STAR, and such other machines or facilities as the Credit Union may designate. ATM and Mastercard® Debit Cards are available to qualified members who are age 18 and over. Cards may be available to minors age 12-17 with qualified Joint Owners who will be responsible for transactions on the Account. Cards are not available for Associations, Clubs, Organizations, and Trust Accounts. If you would like to include overdrafts from your Account for ATM transactions and one-time debit card transactions, you are required to "opt-in" to the Credit Union's overdraft service (in other words, you must provide us with your affirmative consent). Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transactions. Refer to the Overdraft Protection Services section of this Agreement for additional information regarding Overdraft Sweep, Privilege Pay, and Reg E Debit Card Opt-In/Opt-Out Overdraft Protection.

At the present time, you may use your card to:

- Make deposits to your Share, Savings, Money Market, IRA Accumulator, and Checking Accounts at a Credit Union-owned ATM/ITM.
- Make a Line of Credit advance at a Credit Union-owned ATM/ITM.
- Transfer funds between your Share, Savings, Money Market, and Checking Accounts at a Credit Union-owned ATM/ITM.
- Transfer funds from your Share, Savings, Money Market, and Checking Accounts to make your Credit Union loan payments at a Credit Union-owned ATM/ITM.
- Transfer a Line of Credit advance to your Share, Savings, Money Market, and Checking Accounts at a Credit Union-owned ATM/ITM.
- Withdraw funds from your Share, Savings, Money Market, and Checking Accounts.
- Obtain balance inquiries on your Share, Savings, Money Market, and Checking Accounts.
- Make point-of-sale (POS) transactions to purchase goods or services and get cash from a merchant, if the merchant permits, or from a participating financial institution.

Some of these services may not be available at all terminals. You may not use your card for any illegal or unlawful transaction, and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness.

The following limitations on Card transactions may apply:

- ATM Card: You may withdraw or transfer available funds from your Account and make point-of-sale transactions up to a combined total of $1,000 each day.
- Mastercard® Debit Card: You may withdraw and transfer available funds from your Account and conduct point-of-sale transactions up to a combined total of $2,500 each day.

Should the Credit Union grant a limit increase above the set daily limit, you understand that the limit increase is temporary, and your Account must be in good standing. For example, you must have good funds in your Account and all loans are current. The daily limit increase expires at the end of the processing day of the date requested. For security reasons, there may be times when we further limit these amounts. In an effort to protect your Card security and to prevent fraudulent transactions, please contact the Credit Union regarding Account accessibility and usage of your Card. Should you have plans to travel within or outside of the U.S., please contact Member Services at 214-818-3231 or 800-627-0006.

2. **International Card Transactions.** When you use your Mastercard® Debit Card to perform transactions in a currency other than US dollars, Mastercard® International Inc. will convert the charge into a US dollar amount. At Mastercard® International, they use a currency conversion procedure, which is disclosed to institutions that issue Mastercard®. Currently, the currency conversion rate used by Mastercard® International to determine the transaction amount in US dollars for such transactions is generally either a government-mandated rate or a wholesale rate, determined by Mastercard® International for the processing cycle in which the transaction is processed, increased by an adjustment factor

established from time to time by Mastercard® International. The currency conversion rate used by Mastercard® International on the processing date may differ from the rate that would have been used on the purchase date or the cardholder statement posting date.

Mastercard® and/or Cirrus may charge a Cross-Border Fee on all international transactions. This means that each international transaction completed with your Mastercard® debit card or ATM card when there is a currency conversion will be subject to a Cross-Border Fee of 2.000%. If there is not a currency conversion (the transaction is completed in the same currency as the country of cardholder), each international transaction completed with your Mastercard® debit card or ATM card will be subject to the Cross-Border Fee of 2.000%.

3. **Surrender and Cancellation.** You agree to surrender the card to us upon demand. You agree, further, that the card shall at all times remain our property and that we may cancel this Agreement at any time, subject to such notification as may be required by applicable law. You agree that we may amend this Agreement and these disclosures, from time to time, subject to such notification as may be required by applicable law.

4**. Card Activation and Usage**. You agree that you must immediately activate your card as soon as it is received. Failure to activate your card within six months following the issue date may result in the card being closed without notice to you. You further understand that if your card becomes inactive within a 12-month period, this will result in the card being closed without notice to you.

5**. Interactive Voice Response (IVR).** This service allows you to use your member number, last four digits of your Social Security Number (SSN), and date of birth (DOB) to access your Account(s) 24 hours a day by telephone at 214-818-3231 or 800-627-0006 and to:

- Obtain rates and annual percentage yields for Share and Deposit Accounts, cleared check information, transaction history activity, and loan annual percentage rates.
- Make balance inquiries on your Share, Savings, Money Market, Certificates of Deposit, IRA, and Loan Accounts.
- Transfer funds between your Share, Savings, Money Market, and Checking Accounts.
- Transfer funds from another Share, Savings, Money Market, and Checking Accounts on which you are a Joint Owner.
- Transfer a Line of Credit advance (if approved) to your Share, Savings, Money Market, and Checking Accounts.
- Request a check for a withdrawal from your Share, Savings, Money Market, and Checking Accounts.
- Obtain an estimate of a loan payment for a proposed loan.
- Obtain tax information on Shares, Savings, Deposits, and Loan Accounts.

The Credit Union reserves the right to refuse any transaction that would draw upon insufficient funds, exceed a credit limit, or lower an Account below a required balance. All checks are payable to you as a primary member and will be mailed to your address of record. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. This service may be interrupted periodically for system maintenance and in other circumstances beyond our control. Some of these services may not be available for all Accounts.

6**. Online Banking and Mobile Banking.** With Online Banking and Mobile Banking, you may use your user identification (User ID) and password to access your Account through the internet by logging onto our website at www.cutx.org or an internet connection with an internet-enabled mobile device (e.g., smartphone or tablet), 24 hours a day, to:

- Obtain rates and annual percentage yields for Share and Deposit Accounts, cleared check information, transaction history activity, and loan annual percentage rates.
- Make balance inquiries on your Share, Savings, Money Market, Certificates of Deposit, IRA, and Loan Accounts.
- Make bill payments to preauthorized creditors.
- Transfer funds between your Share, Savings, Money Market, and Checking Accounts.
- Transfer funds from another Share, Savings, Money Market, and Checking Accounts on which you are a Joint Owner.
- Transfer funds from your Share, Savings, Money Market, and Checking Accounts to another member Account.
- Transfer funds between and from your Share, Savings, Money Market and Checking Account to your Account held with another financial institution.
- Transfer a Line of Credit advance (if approved) to your Share, Savings, Money Market, and Checking Accounts.
- Place a stop payment order on a check you have written against your Account.
- Request a check for a withdrawal from your Share, Savings, Money Market, and Checking Accounts.
- Reorder checks for your Checking Account.
- Obtain an estimate of a loan payment for a proposed loan.
- Obtain tax information on Shares, Savings, Deposits, and Loan Accounts.
- Obtain a statement of recent transactions on your Accounts.
- Choose to receive e-statements only.

We reserve the right to refuse any transaction that would draw upon insufficient funds, exceed a credit limit, or lower an Account below a required balance. All checks are payable to you as a primary member and will be mailed to your address of record. We may set other limits on

the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. This service may be interrupted periodically for system maintenance and in other circumstances beyond our control. Some of these services may not be available for all Accounts. Refer to your Online Master Banking Terms and Conditions Agreement and Bill Pay Agreement for additional terms, conditions, disclosures, and transfer limitations, as set forth in these separate agreements.

7**. Security of Access Code and Access Devices.** An access code may include a personal identification number (PIN), password, account number, mobile phone number, email address, unique alphanumeric identifier, or other security feature. An access device may include a personal computer (PC), an internet access device, or a mobile phone. You may use one (1) or more access codes with your electronic fund transfers. The access codes issued to you are for your security purposes. Any access codes issued to you are confidential and should not be disclosed to third parties or recorded on or with the card. You are responsible for safekeeping your access codes. You agree not to disclose or otherwise make your access codes available to anyone not authorized to sign on to your Accounts. If you authorize anyone to use your access codes, that authority shall continue until you specifically revoke such authority by notifying the Credit Union. You understand that any Joint Owner you authorize to use an access code may withdraw or transfer funds from any of your Accounts. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate your EFT services immediately.

8**. Fees.** There are certain fees and charges for EFT services. For a current listing of all applicable fees, see our current Truth-In-Savings Fee Schedule that was provided to you at the time you applied for or requested these electronic services. From time to time, the fees may be changed. We will notify you of any changes as required by applicable law.

If you use an ATM not operated by us or a surcharge-free ATM, you may be charged a fee by the ATM operator and by any international, national, regional, or local network used in processing the transaction. You may be charged a fee for a balance inquiry even if you do not complete a funds transfer. The ATM surcharge will be debited from your Account if you elect to complete the transaction or continue with the balance inquiry.

9**. Transfer Limitations.** For all Share, Savings, Money Market Accounts, you may make no more than six (6) transfers and withdrawals, or combination from your Account to another Account of yours or to a third party by means of a preauthorized or automatic transfer, internet transfer, by telephonic order or instruction, or by check, debit card transaction, draft or similar order payable to a third party during a statement period. If you exceed the transfer limitations set forth above in any statement period, your Share Overdraft service, ACH service, Online Banking access, Mobile Banking access, IVR access, and your Money Market check-writing privileges may be canceled, as applicable.

10**. Documentation**.

- **Terminal Transfers.** You may get a receipt at the time you make any transfer greater than $15.00 to or from your Account using an automated teller machine or point-of-sale terminal.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your Account at least once every sixty (60) days, either the person or company making the payment will tell you every time they send us the money, or you can call us at 214-818-3231 or 800-627-0006 to find out if the deposit has been made.
- **Periodic Statements.** You will get a monthly account statement on any Account having an electronic fund transfer. In any case, you will get a statement at least quarterly.

11**. Business Days.** For the purpose of this disclosure, our business days are Monday through Friday, excluding holidays.

12**. Preauthorized Electronic Transfers.**

- **Direct Deposit.** Upon instructions of your (i) employer, (ii) the Treasury Department, or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or federal recurring transactions, such as Social Security, to your Share, Savings, Money Market, and/or Checking Account.
- **Preauthorized Payments**. Upon instructions, we will pay certain recurring transactions from your Share, Savings, Money Market, and/ or Checking Account. See Section 9 above for transfer limitations that may apply to these transactions.
- **Electronic Check Conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your Checking Account using information from your check to pay for purchases or pay bills.
- **Electronic Returned Check Fees.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

13**. Right to Stop Payment of Preauthorized Electronic Transfers and Procedure.** If you have told us in advance to make regular payments out of your Account, you may stop these payments by: Telephone us at 214-818-3231, 800-627-0006, or write us at P.O. Box 7000, Allen, Texas 75013-1305 in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 calendar days after you call. A stop payment request may apply to a single transfer, multiple transfers, or all future transfers as directed by you, and will remain in effect unless you withdraw your request or all transfers subject to the request have been returned. There will be a charge for each stop payment order you give, as set forth in the Truth-In-Savings Fee Schedule.

14**. Liability for Failure to Stop Payment of Preauthorized Electronic Transfer**. If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

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

16. **Credit Union's Liability.** If we do not complete a transfer to or from your Account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will NOT be liable, for instance:

- If, through no fault of ours, you do not have enough money in your Account to make the transfer.
- If you have an overdraft line, the transfer would go over the limit.
- If the automated teller machine where you are making the transfer does not have enough cash.
- If the automated teller machine or system was not working properly, and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our Agreement with you.

17**. Confidentiality.** We will disclose information to third parties about your Account or the transfers you make:

- where it is necessary for completing transfers; or
- in order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant; or
- in order to comply with government agencies or court orders; or
- if you give us your written permission.

18**. Contact Us in Event of Unauthorized Transfers.** If you believe your card and/or access code has been lost or stolen, call us at: 214-818-3231, 800-627-0006, or 866-820-1075. You may also write to us at Credit Union of Texas, P.O. Box 7000, Allen, Texas 75013-1305.

19**. Your Liability for Unauthorized Transfers.** TELL US AT ONCE if you believe your card and/or access code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your Account (plus your maximum overdraft line-of-credit or funds in your overdraft protection service). If you tell us within two (2) business days after you learn of the loss or theft of your card and/or access code, you can lose no more than $50 if someone used your card and/or access code without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card and/or access code, and we can prove that we could have stopped someone from using your card and/or access code without your permission if you had told us, you could lose as much as $500.00. Also, if your statement shows transfers that you did not make, including those made by card and/or access code or other means, **TELL US AT ONCE**. If you do not tell us within 60 calendar days after the statement was mailed or delivered to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

20**. Your Liability for Unauthorized Transfers Involving Mastercard® Debit Card.** Under Mastercard® zero liability rules, if your Mastercard® Debit Card is lost or stolen, your liability for unauthorized Card transactions, including non-PIN based transactions and PIN based point of sale (POS) and ATM transactions, is zero ($0) provided you have exercised reasonable care in safeguarding your Card from risk of loss or theft and, upon becoming aware of the loss or theft, you promptly reported the loss or theft to us. To qualify for the zero-liability limitation, you MUST give prompt and proper notice of the loss, theft, or unauthorized use. If we determine that the unauthorized use you have reported involving your Mastercard® Debit Card Account is not covered under this paragraph, your liability will be determined under the preceding paragraph.

21**. In Case of Errors or Questions About Your Electronic Transfers.** Telephone us at 214-818-3231 or 800-627-0006, or write us at Credit Union of Texas, P.O. Box 7000, Allen, Texas 75013-1305 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 calendar days after we sent the FIRST statement on which the problem or error appeared.

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

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days. If we do not receive it within that timeframe, we may not provisionally credit (see below) your account.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 calendar days to investigate your complaint or question. If we decide to do this, we will credit your Account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing, and we do not receive it within 10 business days, we may not credit your Account.

For errors involving new Accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 calendar days to investigate your complaint or question. For new Accounts, we may take up to 20 business days to credit your Account for the amount you think is in error.

Provisional credit is a temporary credit that allows you to use the amount of money in dispute during the time it takes us to complete our investigation. We will report the results of our investigation to you within 3 business days after completing our investigation. If we determine there was an error, we will promptly correct it. If we determine there was no error, we will send you a written explanation of our findings. You may ask for copies of the documents, other than documents that might be privileged under legal standards, that we used in making our determination. If we determine that there was not an error, any provisional credits will be taken out of your account in accordance with Regulation E, and if there are insufficient funds in your account to cover the reversal of the provisional credit, the account may become overdrawn.

22**. Other Reasons for Dispute.** Disputed transactions that are not covered by our error Resolution Process, such as defective, damaged, or non-receipt of merchandise or services, or items received "not as described," will be handled at our discretion. Please first make a good-faith attempt to resolve discrepancies with the merchant. If your good-faith attempt is not successful, we may use our dispute resolution process to act on your behalf and pursue recovery of funds from the merchant, based on your statement supporting your claim, as well as any documentation we may request. We may not be able to recover your funds. We will report the results of the dispute resolution process to you within 120 days; however, we are not obligated to issue a provisional credit during the dispute resolution process.

REGULATION D RESERVE REQUIREMENTS

The Credit Union uses a certain method in the way we account for balances that are reservable by definition of the Federal Reserve System. Since 1994, many banks and credit unions have changed to an accepted internal accounting method that reclassifies part of Checking Account balances as savings balances. This internal reclassification is separate from the records where your transactions and balances are held. The reclassification program works to reduce the amount of the reserve we must keep at the Federal Reserve Bank, so we can more efficiently manage cash and earn higher interest on those funds. This will increase the amount of funds we have available for lending to our members.

The Accounts included in this program are all Checking Accounts and any Savings or Money Market Account that exceed six Regulation D transactions per month. The program has two key parts: 1) the account is divided into two separate internal Accounts. The part of your balance that you normally spend each month continues to be classified as reservable, and the part that you may leave on deposit is considered to be Savings. 2) Regulation D defines the number and type of transactions that are covered under this program, and only six per month can be made from a Savings Account or Money Market Account. The program moves funds back and forth as needed to most efficiently keep as much as possible in Savings. However, after the sixth applicable transaction or transfer occurs during a month, the entire balance is moved to the reservable Account. The dividend calculation, dividends you earn, and annual percentage yield on your Share Account are not affected by this program. Also, the interest calculation, interest you earn, and annual percentage yield on other Savings Accounts, your Money Markets, and Checking Accounts are not affected.

We realize this information may sound confusing. It does not affect you in any way, but we are required to notify you of our accounting method. It does not affect the way you see your Account, your available balance, your interest or dividend payments, your annual percentage yields, your statements, or our ability to serve you. It is an internal program, solely for the purpose of increasing our efficiency in cash management, to be used to the Credit Union's benefit.