



University Federal Credit Union  
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## MEMBERSHIP AND ACCOUNT AGREEMENT

This Membership and Account Agreement ("Membership Agreement") covers the rights and responsibilities of both parties concerning accounts we offer and explains the rules governing your membership and accounts with us. It is supplemented by the other agreements that you enter into when you open or modify your accounts, such as the Funds Availability Policy and the Electronic Funds Transfer Agreement and Disclosure, and others. All your agreements and transactions with us are also governed by various federal and state laws and regulations. It is the intent of this Membership Agreement to provide disclosures that we are required by law to give you, vary by agreement certain aspects of certain transactions that are permitted by law to be varied, and establish terms and conditions of certain transactions that are not governed by any particular law or regulation.

In this Membership Agreement, the words "you" and "yours" mean anyone who signs a Membership and Account Application, Account Card, Account Update or Change Card, or similar document (collectively referred to as "Account Card"), including any agent stemming from a power-of-attorney or authorized signer. The words "we," "us," and "our" mean University Federal Credit Union (also referred to as "Credit Union"). The word "account" or "accounts" means any one or more share or other share type you have with us. The word "savings" means any savings share account you have with us. The word "checking" means any share draft account you have with us.

By signing the Account Card and/or by using the accounts and services provided by us, each of you, individually, jointly and severally, agree to the terms and conditions in: this Membership Agreement; the Account Card; the Fee Schedule and the Deposit Rate Sheet; any Account Receipt or similar document; Share Certificate, Share Certificate Summary or similar document; our Charter, Bylaws and policies; and any amendments to these documents from time to time which collectively govern your accounts. All such documents are hereby incorporated by reference as if fully set forth herein.

**Suspension of digital services and access to share or deposit accounts.** Subject to applicable law, we may suspend some or all digital services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us, cause significant disruption to Credit Union operations or another member's ability to conduct business with us, or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

### APPLYING FOR MEMBERSHIP AND OPENING ACCOUNTS

**Membership Eligibility; Application.** The Credit Union is owned and controlled by its members. You become an owner by meeting the membership eligibility requirements and by depositing the required shares. Upon qualifying as a member and remaining in good standing, you have certain rights as governed by this Membership Agreement, our Charter, Bylaws, policies and applicable law, including the right to apply for Credit Union services and accounts and to vote in elections. You are entitled to one vote regardless of the number of shares you own. Shares may be issued in the name of an individual, jointly, or in other ways (e.g. in trust, or in the name of a minor) in accordance with our Charter, Bylaws and policies.

To open accounts at the Credit Union, you must qualify under our approved field of membership and otherwise meet the membership requirements set out herein. This includes an initial deposit of an amount equal to one share in the Credit Union, the amount of which is set forth on the Fee Schedule, and maintain at least that amount in your primary savings account - also known as a "share" account - or other qualifying account ("primary share account"). Your membership will terminate if you close your primary share account and do not maintain any additional primary share accounts in the capacity of a primary or joint owner; such closure indicates that you wish to terminate your membership. You agree to complete a Membership Application, you authorize us to check your account, credit and employment history, and obtain reports from third parties (including credit reporting agencies) periodically to verify your eligibility for membership and the accounts and services you request.

**Member Identification Program.** To help the government fight the funding of terrorism and money laundering activities, as well as to protect you from identity theft, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens, or is later added to, an account. This means that in accordance with the requirements of the USA Patriot Act and the Bank Secrecy Act we will require you to provide, and we will verify, certain information about you when opening an account. This will include producing a government-issued photo ID. We may also ask for photo ID, passwords, PINs, or other means of identification and authentication whenever you initiate any transaction with us. We may refuse to open any account or to grant any request if you fail to provide adequate identifying or authenticating information, or we have a good-faith cause to believe that you are not the person you are purporting to be or are otherwise not authorized to open the account or initiate the transaction, and we will not be liable for any loss or expense you may incur due to our refusal. For identification purposes, we may also require you to provide your fingerprints or other biometric marker at the time of account opening, at the time you negotiate certain checks, or use certain services.

In addition, you will be required to provide a taxpayer identification number or social security number (collectively referred to as "TIN") to be used for the foregoing purposes and for subsequent regulatory reporting. We may also request from time to time, and you agree to provide, additional documentation depending on the type of account or service requested. Failure to furnish a correct TIN or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN or provide a fraudulent or false TIN, we may refuse or suspend opening your account or close your account and accelerate your loans.

**Consensual Pledge of Shares; Security Interest; Consensual Lien; Statutory Lien; Right to Set-off; Administrative Freeze:** BY SIGNING THE ACCOUNT CARD OR ANY OTHER DEPOSIT, LOAN AGREEMENT OR SIMILAR DOCUMENT GRANTING A PLEDGE OR SECURITY INTEREST IN YOUR SHARES, AND/OR BY ACCESSING, USING OR OTHERWISE ACCEPTING ANY FUNDS, ACCOUNTS OR SERVICES, YOU GRANT THE CREDIT UNION, AND WE IMPRESS, A LIEN ON YOUR SHARES IN THE CREDIT UNION. YOU ALSO GRANT THE CREDIT UNION A SECURITY INTEREST IN SUCH ACCOUNTS TO SECURE PAYMENT OF ANY DEPOSIT OBLIGATIONS YOU OWE (E.G., OVERDRAFTS, FEES, ETC.) AND ANY LOAN OR CREDIT CARD OBLIGATIONS YOU OWE, AS WELL AS ANY EXPENSES WE INCUR IN CONNECTION WITH YOUR ACCOUNTS AND SERVICES, INCLUDING REASONABLE ATTORNEY'S FEES. YOU ACKNOWLEDGE AND AGREE THAT WE ALSO HAVE SIMILAR STATUTORY LIEN RIGHTS IN YOUR SHARES UNDER THE FEDERAL CREDIT UNION ACT AND/OR APPLICABLE STATE LAW, AS WELL AS THE COMMON LAW RIGHT TO SET-OFF AND ADMINISTRATIVE FREEZE.

"Shares" and "share accounts" means any and all funds, regardless of the source of those funds, in any joint or individual share savings account(s), share draft account(s), certificate, payable on death ("P.O.D"), revocable trust or custodial account(s) or any other account whether jointly or individually held and whether your obligation under the account(s) is direct, indirect, contingent or secondary and whether held now or in the future. Your pledge and our lien rights do not include any Individual Retirement Account ("IRA"), Keogh or other account that would lose special tax treatment if pledged, or any irrevocable trust or fiduciary account in which you do not have vested ownership interest.

You understand and agree that these rights allow us to apply the funds in your share accounts to any obligations owed to us if you default or fail to pay or satisfy any obligation to us, and we can do so without any legal process, court proceeding or any notice to any owner of the share accounts affected hereunder or otherwise in this Membership Agreement, unless applicable law so requires. **You specifically agree that we have the right to place an administrative freeze on any of your share accounts**, so long as such action does not violate 11 USC § 362 or other applicable law. You understand that these rights are multiple and we can exercise one or all of them. Exercising one right does not waive the right to exercise others. Any payment to any joint owner, beneficiary, or other party for any reason shall be subject to our security interest, consensual lien, and right to set-off.

**CROSS-COLLATERALIZATION:** Property and/or shares given as security under any deposit, loan, or credit card accounts or services you have with the Credit Union will secure any and all obligations under such accounts or services as well as any account owner's joint or individual obligations to us, now or in the future, whether direct, indirect, contingent or secondary and arising from any loan or credit agreement, insufficient fund items, fees, cost, expenses, reasonable attorney's fees, or otherwise. This clause does not apply if such property is your primary residence, or are non-purchase money household goods.

**CREDIT CARD ACCOUNTS:** IF YOU HAVE A CREDIT CARD ACCOUNT WITH THE CREDIT UNION, YOU SPECIALLY AGREE THAT THE SECURITY INTEREST, CONSENSUAL LIEN, AND CROSS- COLLATERALIZATION CLAUSES ALSO APPLY TO THAT CREDIT CARD AND THAT GRANTING THESE RIGHTS TO US IS A CONDITION OF OBTAINING THE CREDIT CARD ACCOUNT.

### TYPES AND OWNERSHIP OF ACCOUNTS

We offer a variety of deposit and transaction accounts for which you may apply, including: savings, checking, and money market accounts which have no particular term or maturity date associated with them; and Share Certificate and Term Share Accounts, which must be maintained for a particular amount of time. Requirements of the accounts such as term, minimum opening deposit or minimum balance requirements, fees, and penalties are set forth in detail in your Truth-in-Savings Disclosure, Fee Schedule and the Deposit Rate Sheet, this Membership Agreement and other agreements that you may have with us. Ownership of the accounts may be held in a number of ways, such as individually, jointly, in trust, etc. Your account type(s) and ownership features are designated on your Account Card at the time you open the account, or any subsequent amendments which you may make from time to time after account opening.

Not all accounts or services described herein may be offered at certain times or in perpetuity. The Credit Union reserves the right to enhance or suspend certain accounts or services at any time. For example, we may occasionally offer enhancements or additional benefits to certain accounts or services such as purchase rewards or travel accident insurance or other features at no additional cost to you. These features are offered solely at our discretion and can be changed or discontinued at any time with no prior notice to you.

The following describes the types of accounts that are generally available at the Credit Union:

**Savings, Checking, and Money Market Accounts:** You may open and close one or more share or savings accounts, checking accounts, or money market accounts, and may periodically deposit and withdraw funds from those accounts via access methods made available to you from time to time, including, but not limited to: share draft/checks; ATM Cards, check cards or debit cards; telephone, in person, on-line banking, or mobile banking; and electronic funds transfers ("EFTs") such as Automated Clearing House ("ACH"), direct deposit, wire transfers, or preauthorized transfers. All transactions are subject to and in accordance with this Membership Agreement and all other agreements you have with us, including, but not limited to, the Funds Availability Policy; Truth-in-Savings Disclosure; Fee Schedule and the Deposit Rate Sheet; EFT Agreement and Disclosures; and Wire Transfer Agreement.

**Share Certificate Accounts:** Share Certificate Accounts are term accounts that earn a dividend at a specified rate. They have stated maturity dates, and funds in those accounts are subject to penalty if withdrawn prior to the maturity date. **To qualify for dividends, you must provide your valid social security number at the time of account opening.** Exact terms of the particular account such as Maturity Date, Annual Percentage Yield ("APY"), early withdrawal penalty fees, whether the account automatically renews, and other information will be provided at the time of account opening. If you maintain sufficient funds in the account for the full term in accordance with your share certificate agreement, at the end of the term we will pay you the principal amount you deposited, plus dividends or interest on account earnings in accordance with the share certificate agreement. If you withdraw all or part of your funds from this type of account before the certificate account matures we will charge you an early withdrawal penalty. That penalty is generally deducted from the dividends that have accrued on the account, but may be deducted from the principal, particularly if a sufficient amount of dividends to pay the penalty have not accrued. We may at our sole discretion grant you permission to withdraw funds early. If such permission is granted, it will be granted only at the time you request an early withdrawal.

Unless otherwise stated, when you open a Share Certificate Account, you hereby direct us to automatically renew the account upon maturity, at which time said account shall renew at each maturity date for a period of time equal to the original term and on the same conditions as the original account. The interest or dividend rate applicable to the renewal term shall be that rate that is applicable to new account on like terms in effect at the time the account renews. You can prevent an automatic renewal by providing us written instructions to the contrary or withdrawing funds on or within 7 days after the maturity date. If funds are withdrawn within 7 days after the maturity date, no penalty will be assessed. We may call an automatically renewing account for payment at the end of the original term or any renewing term, and any interest or dividends added to it for compounding will stop earning interest or dividends on the effective date of the call.

If the account is not automatically renewing, no interest or dividends will be earned after the stated maturity date. We will send you a notice on or before the maturity date of your account(s) advising you of the upcoming maturity date and the options available to you. You may be required to sign a separate agreement upon opening these accounts.

**IRA, Keogh and Coverdell Education Savings Accounts.** Individual Retirement Accounts (IRA) and Keogh Accounts are types of savings accounts that individuals can use to save for retirement, and Coverdell Education Savings Accounts ("Coverdell ESA") are used to save for a child's college education. These accounts may be in the form of share certificates, money market accounts, or other types of accounts. There may be restrictions on contributions, withdrawals, and other features of the accounts according to applicable federal and state laws and guidelines. Funds may be tax deductible and/or tax-deferred. We do not provide tax advice; you should consult with a

qualified tax advisor regarding any funds you may have in these accounts. You may be required to sign a separate agreement upon opening these accounts.

**Dividend-Bearing Accounts.** Some available accounts earn interest or "dividends" while others do not. If the account is a dividend-bearing account, disclosures and terms regarding accrual, crediting, and compounding will be provided in the Deposit Rate Sheet or similar document at the time you open your account. **To qualify for dividends, you must provide your valid social security number.**

The following describes the types of ownership by which an account may be held:

**Individual Accounts.** An individual or single-party account is an account owned by one person, including an individual, corporation, trust, or other organization qualified for Credit Union membership. If the account owner dies, their interest passes to the decedent's estate or Payable on Death (POD) beneficiary or trust beneficiary, subject to other provisions of this Membership Agreement and applicable law.

**Joint or Multiple Party Accounts.** An account owned by two or more persons is a "Multiple Party Account" with one person being designated as the "Primary Owner" and all other persons designated as "Joint Owner." To preserve federal reporting requirements, in the event of primary account holder's death, services pertaining to said account will be suspended 180 days after actual notice of death is provided to UFCU. A joint account holder may open a separate transfer eligible funds, if they still qualify for membership.

We reserve the right to require all owners to sign the Account Card. Any and each owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). Any owner may withdraw all funds, stop payment on items, transfer funds into or out of the account, block or terminate any service or access device, or pledge to us all or any part of the shares without the consent or knowledge of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may act on any or none of the instructions or, alternatively, we may suspend or terminate the account and require a court order or written consent from all owners to act. One owner may not remove another owner.

Ownership rights and disputes involving the funds in your accounts are subject to your agreements with us, and applicable state or federal law and court orders. We shall not be liable to any owner if we in good faith act upon a valid court order from a court of competent jurisdiction. We will also not be liable if we in good faith refuse to act upon a court order or any instruction from any owner. All owners will be jointly and severally liable for any and all expenses, fees and costs, including reasonable attorney's fees, that we incur in connection with any dispute regarding the account, regardless of whether the dispute is initiated by an owner or third party. By signing the Account Card, or an amendment to the Account Card on a form approved by us, each of you authorizes us to take these expenses from any of your account(s) without prior notice to you.

If a deposited item in a multiple party account is returned unpaid, an account is overdrawn or if we do not receive final payment on a transaction, all owners are jointly and severally liable to us for the amount of the returned item, overdraft, or unpaid amount and any fees or expenses that we incur, including reasonable attorney's fees, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of any owner or against all funds in the multiple party account regardless of who contributed them and to what extent.

**Multiple Party Accounts with Right of Survivorship.** Unless your Account Card specifically states otherwise (see "Multiple Party Account without Right of Survivorship" below), Multiple Party Accounts are held in joint tenancy with the right of survivorship. This means that you intend and agree that the balance in the account, upon the death of any party to the account, shall belong to the surviving owner(s). A surviving owner's interest is subject to our statutory lien rights, consensual lien rights, the right of set-off, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

**Multiple Party Accounts without Right of Survivorship.** Upon clear instruction on your Account Card, your account may be designated as a Multiple Party Account without Right of Survivorship. This type of account is owned by two or more persons without right of survivorship is held in joint tenancy without the right of survivorship. On death of an account holder for a multiple party account without the right of survivorship, the remaining account holder(s) must provide a court order or similar document, acceptable to the Credit Union, that states the proper disposition of all funds.

**Payable on Death (POD) Accounts.** A POD account is an instruction to us that a single or multiple party account so designated is payable to the owner(s) during their lifetimes and, when the last account owner dies, is payable to any named, living POD beneficiary. Sums payable to more than one surviving beneficiary shall be distributed equally to each beneficiary. No beneficiary shall be entitled to another's interest upon said beneficiary's death. Unless subject to Section 752.052 of the Texas Estates Code, POD beneficiary may not be an owner of the account. A party acting as agent may not appoint themselves as a POD beneficiary on behalf of the account owner. However, an agent may be appointed as POD beneficiary prior to being appointed agent, or by another owner of the account.

This POD accounts section does not govern IRAs, Keogh, or Coverdell Education Savings Accounts, which are governed by a separate account agreement and beneficiary designation. We are not obligated to notify any beneficiary of the existence of any account or the vesting of the beneficiary interest in any account, except as otherwise provided by law. Any owner may change any beneficiary designation upon written notice to us, on a form approved by us.

**Accounts for Minors.** We reserve the right to require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under state law, a legal guardian of the minor, and/or who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or other amounts owing on such account ("Adult"). We may require the minor to sign the Account Card if so capable; otherwise, the Adult shall sign the Account Card on behalf of the minor, as well as in the Adult's own capacity. We may pay funds directly to the minor without regard to age. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We shall change the account status when the minor reaches the age of majority, unless otherwise authorized in writing by all account owners.

**Uniform Transfers to Minors Account/Uniform Gifts to Minors Account (UTMA/UGMA).** An account established under the Uniform Transfers to Minors Act (UTMA) or Uniform Gifts to Minors Act (UGMA) is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The account is governed by the applicable UTMA/UGMA law adopted in the state in which the account is held. The minor to whom the gift is made is the beneficiary of the custodial property in the account and as such, the funds in the account belong to the minor. The custodian has possession and control of the account for the exclusive right and benefit of the minor, and, barring a court order otherwise, is the only party entitled to make deposits, withdrawals, or close the account. We have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by the custodian. If the custodian dies, we may place an administrative freeze on the account, until we receive instructions from any person authorized by law to withdraw funds or a valid court order authorizing withdrawal. Any successor custodian must provide us with complete written documentation to our satisfaction that authorizes such

custodian to act legally on behalf of the minor and ensuring that all applicable laws have been followed. It is agreed that the custodian may or may not be the minor's legal guardian or that there is more than one legal guardian, in such event we can accept orders and instructions from any legal guardian in good faith and in accordance with applicable law. When the beneficiary reaches the age of majority as defined by the applicable state's UTMA/UGMA law, the funds may be paid or withdrawn by the beneficiary without further notice or action by us, and we will not be liable for any disputes arising from such withdrawal. The account will otherwise terminate and be distributed in accordance with applicable law.

**Agency, Trust, or other Custodial Accounts.** We may open accounts pursuant to any court order, trust agreement, or similar authority in accordance with your desire to establish an account for a trust, probate, custodial, or other fiduciary purpose. Because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. The person acting as agent, guardian, custodian, personal representative, trustee or other fiduciary capacity shall be designated as such on the Account Card. Such designation is an instruction to us that the account owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. For these accounts, you appoint the designated representative listed on the Account Card as your attorney-in-fact to deposit or withdraw funds held in the designated account(s). Your agent has no ownership interest in the account(s) or voting rights in the Credit Union. We have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by the designated representative.

If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection.

**Commercial or Business Accounts:** Accounts held in the name of a business entity, organization, or member for business or commercial purposes are subject to the terms of this Membership Agreement, unless a separate Business Account Agreement or similar document has been signed. Such accounts are also subject to the following terms: You must provide us additional documentation acceptable to us appointing those individuals who are authorized on behalf of the entity to open accounts and transact business. Any changes to such authorization must be made in a writing acceptable to us, and we will not be liable for any actions taken before we are provided with such acceptable written notice of any change in authorization(s). We reserve the right to require that third party checks payable to an entity be deposited into a business account rather than being cashed. We have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by the designated representative, and will have no notice of any wrongdoing unless and until we are informed in writing of such wrongdoing. **YOU ARE HEREBY NOTIFIED, AND YOU HEREBY AGREE, THAT ANY COMMERCIAL OR BUSINESS ACCOUNT OPENED IN THE FORM OF A PERSONAL ACCOUNT ARE SUBJECT TO THE TERMS AND CONDITIONS CONTAINED WITHIN THE BUSINESS MEMBERSHIP AGREEMENT AND THE APPLICABLE LAWS AND REGULATIONS THAT REGULATE SUCH ACCOUNTS AND MAY BE SUBJECT TO ADDITIONAL REPORTING REQUIREMENTS. YOUR ACCOUNT MAY AUTOMATICALLY BE CONVERTED TO A BUSINESS ACCOUNT WITHOUT ANY ADDITIONAL NOTICE TO YOU.**

#### TRANSFERS OR DEPOSITS TO YOUR ACCOUNT(S)

**Deposit and Collection of Items.** You may make deposits to any account, in any manner approved by us including, but not limited to: in person, mail, electronic transfer, mobile deposit, direct deposit, Automated Teller Machine (ATM), night deposit box, or any other approved method made available by us. We are not responsible for any deposit made by mail, night deposit box, or through a depository not staffed by us. The common law mailbox rule does not apply; acceptance will not become effective until we actually receive the item. If a check, draft or other item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person. All transactions are subject to our Funds Availability Policy and related applicable laws.

**Direct Deposits.** We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize each direct deposit or preauthorized transfer by filling out a separate form. You must notify us at least thirty (30) days in advance to cancel or change a direct deposit or transfer option. Upon a bankruptcy filing, or a garnishment or receivership action, unless you cancel an authorization we will continue making direct deposits in accordance with your authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law or required to do so by a court of law. You are solely responsible for any overdrafts, fees or the like resulting from any such reimbursements.

**Crediting of Deposits.** Deposits made after the deposit cutoff time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day and in accordance with our Funds Availability Policy.

**Liability.** In receiving and processing items for deposit or collection, we act only as your collection agent and we assume no responsibility beyond our obligations of good faith and ordinary care. We exercise ordinary care if our actions or inactions are consistent with applicable state law, Federal Reserve regulations and operating letters, Clearinghouse Rules, and general banking practices followed in the area we serve. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection and any items and their proceeds will be handled in accordance with applicable Federal Reserve and Clearing House rules and other applicable law.

If we do not properly complete a transaction according to this Membership Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your negligence or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential or special damages, except liability for wrongful dishonor. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Membership Agreement. Any conflict will be resolved by reference to this Membership Agreement.

**Endorsements.** We may accept transfers, checks, drafts, and other items for deposit into any of your accounts even if they are not endorsed by all payees. If you fail to properly endorse an item you authorize us to supply any missing endorsement, but we are not required to do so. We may require that certain government checks, insurance company items, or other check or draft be personally endorsed by each and all payees. Endorsements must be made on the back of the share draft or check within 1 and 1/2 inches from the trailing edge, although we may accept endorsements outside this space. You agree to reimburse us for any loss or expense we incur resulting from an irregular endorsement or other markings by you or any prior endorser.

If we offer remote deposit capture (mobile deposit) and you have been approved to use the service, you agree that prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with the Remote Deposit Capture User Agreement that governs this service. Items deposited which do not have the proper endorsement may be rejected and the deposit

reversed. You are solely responsible for any overdrafts, fees, or the like, resulting from any such reversals.

**Charge-back; right of set-off.** All items, including checks, ACH transfers or other transfers credited to your account are provisional until we receive final payment. We may charge-back or debit your account for the amount of such items under the following circumstances: (1) if final payment is not received; (2) if, within the normal handling period for such item, the item cannot be honored against the drawer's account; (3) if a deposited item is returned to us by the financial institution on which it is drawn, even if that financial institution failed to return the item before its midnight deadline; or (4) any other circumstances allowed by law. We may charge-back your account regardless of whether the other financial institution returned the item before its midnight deadline. You further authorize us to pursue collection of previously dishonored items, and you acknowledge that this may permit the payor bank to hold an item beyond the midnight deadline. When charging-back your account, we may also charge your account with a Deposited Item Returned fee for each presentment and any collection fees or expenses, including reasonable attorney's fees and court costs. You acknowledge and agree that we may charge-back your account even if it causes your account to have insufficient funds, and you agree to replenish the funds in your account and to pay any and all overdraft, return, and charges. You specifically agree that we may exercise our security interest and right of set-off against any other deposit accounts that you have with us to recover any of these amounts.

**Foreign banks.** We reserve the right to refuse or return any item or funds transfer. Items drawn on an institution located outside the United States are handled on a collection basis only.

**WAIVER OF NOTICE. YOU WAIVE ANY NOTICE OF NONPAYMENT, DISHONOR OR PROTEST REGARDING ITEMS WE PURCHASE OR RECEIVE FOR CREDIT OR COLLECTION TO YOUR ACCOUNT.**

#### **TRANSFERS OR WITHDRAWALS FROM YOUR ACCOUNT(S)**

**Account Access; Honoring Items; Limitations.** You may withdraw or transfer funds from your account(s), including share savings and money market accounts in any manner we permit, subject to federal regulation (e.g., by writing a check; using an ATM or debit card at point-of-sale or at an automated teller machine; in person; by mail; by automatic or preauthorized transfer, ACH, wire transfer or other electronic transfer; by telephone or on-line banking, mobile banking or bill pay services, or other means made available to you). If the transaction request is made by remote means such as telephone, we are not responsible for any request or order that we believe to be genuine; we can also refuse to honor such request or order if we in good faith do not believe it to be genuine or have reason to doubt the identity or authentication of the requestor. Your ability to transfer funds from your account is always subject to having sufficient available funds in the account(s) and is subject to this and the other agreements you have with us, including, but not limited to, the Funds Availability Policy. You authorize us to honor transactions initiated by a third party to whom you have given your account number even if you do not authorize a particular transaction. If there are sufficient funds to cover some, but not all of your withdrawal, we may allow those withdrawals for which there are sufficient funds in any order at our discretion.

The law permits us to pay items drawn on your account in any order, even if the order in which we pay items causes an overdraft. We may honor any item or instruction even if it creates an overdraft or negative balance in your account or if it violates any minimum balance requirement or other requirements of the account, in which case you agree to pay all fees, penalties or other charges imposed on you as well as costs incurred by us. We may return as "unpaid" any item drawn on a form we do not provide or approve, and you are responsible for any loss we incur handling such an item. For more information, please see *Transaction Posting Order* below.

To process certain electronic transactions, we may place a temporary hold on your funds which may be for 36 hours or more. We have no control over the other parties to the transactions or the commercial networks used in facilitating the transactions. It is your responsibility to make sure you have sufficient funds in your accounts to cover all transactions, regardless of when those transactions may clear.

We may refuse to allow a withdrawal in some situations, and will advise you accordingly. For example: (1) a legal garnishment, receivership or attachment is served; (2) the account secures any obligation to us; (3) required documentation has not been presented; (4) you fail to make payments on a loan that you have with us; or (5) any other reason allowed by applicable law. We may require you to give written notice of seven (7) days to sixty (60) days before any intended withdrawals.

**Authorized Signature; Electronic Signature; Facsimile Signature Device; Forged Checks.** Your signature on the Account Card is your authorized signature for account access to and from your account(s), and may include your electronic signature in compliance with the Electronic Signatures in Global and National Commerce Act (E-Sign Act). We are authorized to recognize this signature for the payment or transfer of funds, payment instructions, or other purposes relating to your account(s) but we may also allow transfers even without your signature. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. However, we are not required to check the signature for authenticity unless our internal policies and procedures require us to (e.g., if a check is written above a stated threshold amount), and you agree that failure to do so does not constitute failure on our part to exercise ordinary care. You may also authorize the use of a facsimile signature device, electronic signature, eSignature software, and, if you have done so, we may honor any draft or other item that appears to bear your facsimile signature even if it was made by an unauthorized person, and we will not be liable for any issues arising from such honor. You are responsible for the use and safeguarding of the facsimile signature device, your checks, and your access codes and as such, you specifically agree that you are in the best position to determine whether your facsimile signature has been used without your consent, or a counterfeit facsimile signature device has been used, or your signature has been forged. Therefore, you are required to make a good-faith effort to review any and all statements and items or checks returned to you or made available to you for any unauthorized use of your electronic, mechanical, or facsimile signature. We will not be liable if we honor an item that appears to be authorized by your signature, and you will reimburse us for any loss or costs (including reasonable attorney's fees) that we incur because the facsimile signature was used without your consent or because a counterfeit facsimile signature device was used. Nothing in this provision shall be construed to relieve us of our obligations to act in good faith and to exercise ordinary care.

**Use of Biometrics/Fingerprints.** The Credit Union or various apps you may choose to use may provide access to your accounts and services through the use of fingerprints or other biometrics. You agree to the use of such biometrics, and will cooperate with us in implementing any requirements we or the third party may require associated with this technology. Biometric technologies may be used for authentication. WE may require the use of biometrics and/or fingerprinting with regard to any service we offer, and any refusal to cooperate with such use shall allow us to refuse to make any transaction, including but not limited to cashing any on-us item presented by any holder. When you enable biometric access, every person with an enrolled biometric on your accounts, services, or devices used to view your information, conduct transactions on your behalf, and has your authority to engage in these activities. Enrolled biometrics may expand the number of persons who have access to your account regardless of the signers listed on your Membership Application

with us. WE ADVISE YOU TO REVIEW AND CONFIRM THAT ALL REGISTERED BIOMETRICS BELONG TO INDIVIDUALS WITH AUTHORITY AS DESCRIBED ABOVE. BY ACTIVATING ACCESS/SERVICES REQUESTED BY YOU, THE CREDIT UNION RELIES ON YOUR REPRESENTATION THAT ANYONE WITH A REGISTERED BIOMETRIC HAS PROPER AUTHORITY TO ACCESS AND USE YOUR ACCOUNTS AND ASSOCIATED ACCOUNT INFORMATION.

**Automated Processing of Items.** You acknowledge and agree that we have adopted automated collection and payment procedures which are standard and reasonable in the industry. This allows us to process a large volume of items efficiently. However, these automated procedures rely primarily on information encoded onto each item in magnetic ink and does not provide for personal inspection of the item by our staff ("site examination"). You agree that in paying an item, we may disregard all information on the item except that which has been encoded onto the item in magnetic ink, such as identity of drawee bank and amount of the item, even if that information is inconsistent with other information printed or written on the item. You agree that we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for a sight examination of the item. You also agree to reimburse us for any loss or costs (including reasonable attorney's fees), that we incur because the item contained such extra information.

**Stale and Post-Dated Items.** We maintain the option to pay or dishonor any stale draft or check (i.e., more than six months old) upon presentation. You agree that we are not liable to you for charging your account before the indicated date on a properly payable but post-dated check unless you notify us in writing that you have issued a post-dated draft. The notice must be given to us in time so that we can notify our employees and reasonably act upon the notice, and it must provide the number of the check, its date, the name of the payee, the exact amount, and the account number on which it is drawn. You understand that the exact information is necessary for us to identify the draft. We are not responsible if you give us an incorrect or incomplete description, or untimely notice. You may make a verbal notice which lapses in fourteen (14) calendar days unless confirmed in writing. A written notice is effective for six (6) months and may be renewed in writing from time to time. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account which is presented more than six (6) months past its date.

**Overdrafts.** An overdraft occurs when, on any one day, the funds in your account are not sufficient to cover drafts, fees or other items posted to your account, whether the transaction was made by check, electronically, or otherwise. Our determination of an insufficient account balance may be made at any time between presentation and our midnight deadline with only one review of the account required. We do not have to notify you if your account does not have funds to cover drafts, fees or other posted items. Whether the item is paid or returned, your account may be subject to a charge as set forth in the Fee Schedule. Except as otherwise agreed in writing, we, by covering one or any overdraft, do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay a draft or impose a fee that would otherwise overdraw your account, you agree to pay the overdrawn amount immediately.

**Overdraft Protection Plan Agreement.** If we have approved an overdraft protection plan for your account, we will honor drafts drawn on insufficient funds by transferring funds from another designated account under this Membership Agreement or a loan account or credit card account, as you have directed, or as required under our overdraft protection policy. The fee for overdraft transfers, if any, is set forth on the Fee Schedule. You will not have any overdraft protection if the designated account has insufficient funds to cover the transaction or if the loan or credit card account has insufficient credit available. If the protected account is a joint account, you acknowledge and agree that transactions causing overdrafts made by a joint owner will be paid under the overdraft protection plan even if the designated account or loan or credit card account is not jointly owned or jointly made. If there is any conflict between this provision and any provisions regarding overdrafts contained in an applicable loan agreement or credit card agreement, the loan agreement or credit card agreement shall govern.

**Overdraft Courtesy Pay Agreement.** Under our Courtesy Pay program, if you are in good standing with us we may honor your overdrafts up to amounts set forth by Credit Union policies. Such amount(s) also include our standard Courtesy Pay fee, or other applicable fee. We may honor overdrafts at our sole discretion and charge you a Courtesy Pay fee. This is a service that we offer and requires opt-in on the member's part, for debit card transactions. It is not a loan. You can set up alerts each time an overdraft occurs. We have no obligation to continue offering this service and may discontinue it at any time without notice to you. If you have an overdraft protection plan, we will look to that plan for funds to cover overdrafts before we use the Courtesy Pay program. This Courtesy Pay program does not relieve you of your obligation to replenish the funds in your accounts and to pay all obligations owing to us, including overdrafts and related fees. You are considered to be in "good standing" if the following conditions are met: (1) you bring your account to a positive balance at least once every 45 days; (2) you are current on all loans and obligations; (3) there are no past charge-offs that have not been fully recovered; (4) there are no tax levies, garnishments, receiverships or other legal actions directed against your account; (5) you do not have a delinquent loan, a regular Savings Share account balance below the \$1.00 minimum, an unresolved deposited returned check, unpaid or uncollected Credit Union fees, or a negative account balance with us; and (6) you have not caused a financial loss to the Credit Union, nor have been found to have violated our Member Conduct Policy.

We may return debits (e.g., ACH payments) submitted for payment against the checking account if the amount of the debit exceeds the funds available in the checking account.

The Courtesy Pay program is not available on the Simply U Account nor any non-checking accounts.

**Transaction Posting Order:** Transactions are posted in the order they are received. Processing methods vary dependent upon the way the transaction is received; i.e. ACH and Bill Pay have different processing times. Please contact UFCU for more information.

**Available vs. Actual:** Your "available balance" reflects any pre-authorization holds or deposit holds and is used to determine available funds when future transactions attempt to clear the account. The balance we use internally as transactions clear is called your "actual balance" or "total balance" and includes all items that have cleared the account up to that point in time. This actual balance does not include outstanding debit purchases, share drafts (checks), or automatic drafts. If funds are not sufficient in the actual balance at the time of clearing, and your account is not subject to the Courtesy Pay program, an overdraft fee is charged for each transaction that attempts to clear. Your actual balance includes items that have not yet cleared your account such as checks written and not negotiated and debit-card pre-authorization holds. Please contact us if you have any questions.

**Stop Payment Orders.** You may request a stop payment order on any check or other written instrument drawn on your account that has not been paid or certified. You may call us to request a stop payment, but to be binding, we require that the order be in writing, dated, signed, and describe the account number, item number, and the exact amount of the item. The stop payment order will be effective if we receive the order in time for us to act upon the order. You understand that the exact information is necessary for our computer system to identify the item. If you give us incorrect or incomplete information, or the stop payment order is not received in time for us to act upon it, we will not be responsible for failing to stop payment on the item and we will not be liable to you or to any other party for payment of the draft. If we re-credit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft and to assist us in any legal action.

A verbal stop payment order is valid for only 14 days, unless we receive a written confirmation thereof. A written stop payment order on a check that is not converted to an ACH transaction is valid for only six months unless it is renewed by you. For all other transactions, stop payment orders do not expire.

Fees for stop payment orders will be imposed and are set forth on the Fee Schedule. **You may not stop payment on any certified check, cashier's check, teller's check, official check, or any other check, draft, or payment guaranteed by us.** Although payment of an item may be stopped, you may remain liable to any item holder, including us. You have the burden of establishing the fact and amount of loss resulting from the payment of an item contrary to a binding stop payment order. You agree to indemnify and hold us harmless from all costs, including reasonable attorney's fees, damages or claims related to our refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

**ACH and Wire Transfers.** Wire transfer services may be provided in accordance with the separate Wire Transfer Agreement and Disclosure provided to you.

**Choice of Law.** We may accept, on your behalf, payments to your account which have been transmitted through one or more Automated Clearing Houses and which are not subject to the Electronic Fund Transfer Act. Your rights and obligations with respect to such payments shall be construed in accordance with and governed by Federal Reserve Regulation J, Article 4A, and the laws of the State of Texas, and as provided by the operating rules of the National Automated Clearing House Association.

#### **OTHER RULES APPLICABLE TO YOUR MEMBERSHIP AND ACCOUNTS**

**Illegal Transactions.** You warrant and agree that you will not use any Credit Union services, loan or deposit accounts to make or cause to be made any transaction that is deemed illegal under applicable law, including, but not limited to, any gambling activity, embezzlement, identity theft, fraud, trafficking or selling of controlled substances, conversion of goods, money laundering or terrorist activity. Any such use shall constitute a breach of this Membership Agreement. In response we may take a variety of actions, including but not limited to: delay processing, refuse to process or return processed funds to the account from which they came, or may be required by Federal Reserve Reg GG ("Reg GG") to refuse to process any transaction that we believe to be illegal, suspicious, unenforceable, or which is a restricted transaction under Reg GG, and will not be liable to you for such delay or refusal. Restricted transactions generally include, for example, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful internet gambling. You further agree to indemnify us and hold us harmless from any liability of any kind and costs incurred by us in any form whatsoever that results directly or indirectly from such illegal use. We will also not be liable to you if we in good faith freeze your accounts and/or notify our regulators or local or federal enforcement authorities regarding any activity we believe to be illegal, suspicious, or unenforceable.

**Negative Information Notice.** We may report information about your accounts to credit bureaus. Late payments, missed payments, insufficient funds transactions or other defaults on your account may be reflected in your credit report.

**Account Rates and Fees.** We pay interest or dividends on qualified accounts and assess fees against your account as set forth on the Fee Schedule and the Deposit Rate Sheet. You agree that we may debit your account for any fees incurred without prior notice to you. We may change the Fee Schedule and the Deposit Rate Sheet at any time and will notify you as required by law. For the most current rates and fees, you may contact us at any time and manner available. The most up-to-date Fee Schedule and Deposit Rate Sheet are available at [www.ufcu.org](http://www.ufcu.org).

**Statements and Copies of Checks.** If we provide a periodic statement for your account, we will send or make available to you a periodic statement of transactions and activity on your account during the statement period as required by applicable law. In the case of multi-party accounts, you agree and acknowledge that we are required to provide only one statement on the account and can provide it to any one of the parties on the account as we choose.

For checking accounts, you understand and agree that your original check (or substitute check), when paid, becomes our property and may not be returned to you. We may, but are not required to, retain the original checks. You agree to keep copies of your checks in order to verify their validity. If you request copies of your checks, you agree that we may provide an electronic image of the check or a sufficient copy thereof. We may charge you, and you agree to pay, fees for providing copies of the checks and/or any research involved with your request, as set forth on the Fee Schedule.

You understand and agree that statements are made available to you on the date they are mailed to you or delivered electronically. You also understand and agree that checks or copies thereof are made available to you on the date the statement is sent to you, even if the checks do not accompany the statement.

**Your Duty to Examine.** You are responsible for promptly examining each statement and reporting any irregularities or issues to us. We will not be liable for any forged, altered, unauthorized, unsigned, or improperly endorsed or encoded items drawn on your account if: (1) you fail to notify us in writing within thirty (30) days of the mailing date of the earliest statement containing or evidencing such irregularities regarding any item described in the statement; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

If you fail to receive a periodic statement you agree to notify us within fourteen (14) days of the time you regularly receive a statement.

**Electronic Statements, Notices, Disclosures and Agreements; Electronic Services.** We may provide electronic document delivery services for the delivery to you of all disclosures, statements, notices, contracts or agreements, receipts, modifications or amendments, and all other documentation regarding your membership, accounts, transactions, or other business you have with us (collectively referred to as "documents" or "documentation"). If you agree to receive such documentation electronically, you specifically agree and acknowledge that we may provide the documents electronically either by sending an email with the text of the documents embedded in the text of the email message or as an attachment contained within the email, or by posting such documents on our website or on-line banking service. You have a right to request and receive a paper copy of these documents if that right is provided under applicable law. You may also withdraw your consent and revoke your agreement to receive the documents electronically. To request a paper copy or to revoke your consent, call, write, or email us at the number and addresses provided on the Deposit Rate Sheet.

We may also offer electronic services such as on-line banking, mobile banking, or on-line bill pay, which allow you to conduct transactions to and from your account(s) and to conduct other business with us electronically. You may be required to sign or accept prior to use, a separate agreement regarding these services and you will be subject to any on-line instructions, rules, agreements, and restrictions provided on the website(s), in mobile applications, or provided to you at the time you open an account or enroll in these services. You may be required to be enrolled in our on-line banking service in order to enroll in our electronic document delivery service.

Enrollment in, and use of, these electronic services does not relieve you of your duty to promptly examine your statements, checks, and other documentation for irregularities or discrepancies regarding your accounts in accordance with this and your other agreements you have with us.

Subject to applicable law, we may suspend some or all digital services and access to your checking or other account(s) if you become delinquent on any of your loan or deposit obligations to us, cause significant disruption to Credit union Operations or another member's ability to conduct business with us, or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

**Notices; eNotices; Name or Address Change.** Any written notice we give to you is effective when it is made available in our on-line banking system (if you have agreed to receive such notices electronically), or when it is deposited in the U.S. Mail, postage prepaid and addressed to you at the most recent mailing address on file with us. Notice to any account owner is considered notice to all account owners. Any written notice you give us is not effective until we actually receive it in our offices.

You agree to notify us of any postal or email address change or name change in writing. We reserve the right to require verification of your identity and proof of a change in address prior to making any changes in our records. We are only required to attempt to communicate with you at the most recent address you have provided to us. If you fail to provide notice of a change in address or name, and we attempt to locate you, we may impose a service fee as set forth on the Fee Schedule.

**System Requirements.** In order to enroll in our electronic document delivery service, mobile banking or online banking services, you must be able to receive, view, and print (or otherwise retain), the documents involved. As such, you must have a computer or mobile device that has access to the internet, and use of a browser that supports Secure Sockets Layer ("SSL") and cookies. Additionally, many of our documents, including periodic statements, will be sent to you in a Portable Document Format ("PDF"). To open, read, and print these documents, you will need Adobe Acrobat Reader or a similar PDF reader. Adobe Acrobat Reader may be available for download for free via the internet. Minimum system requirements are subject to change without notice as the technology changes. By enrolling in, and using the electronic services, you are asserting that your system meets these requirements and that you are capable of, and are indeed receiving, viewing, and retaining the documents involved. If you discover that you are not receiving such documents, you must contact us immediately. We will not be liable for any failure to deliver the documents if you do not reasonably notify us of such failure or if the failure is due to your computer hardware, software, or other equipment, or due to other circumstances beyond our control.

**System Disruptions.** You understand and agree that electronic services may occasionally be unavailable for short periods of time due to system maintenance or other reasons. We will not be liable for any delay that this may cause and you are ultimately responsible for conducting your transactions in a timely manner with regard to your banking and bill-paying needs. In the unlikely event that our electronic services become unavailable for a prolonged period of time, you understand and agree that you still have access to the Credit Union and your account(s) in the traditional manner (i.e., in person, by mail, telephone, or check-writing), and we will not be liable to you if you fail to use these means to conduct your business with us.

***For the following services, you may be required to enroll in each service separately, and sign or accept, prior to use, a separate agreement regarding each.***

**e-Statements.** If we make the e-Statement service available to you, you may agree to receive statements via electronic means, whereby your periodic statement will be e-mailed or sent electronically to you, and made available on, our online banking website. Please see the provision, "Electronic Statements, Electronic Notices, Electronic Disclosures and Electronic Agreements" for more information regarding e-Statements.

**e-Notices.** If we make this service available to you, you may agree to receive electronically all notices regarding your membership, account(s) or services with us whereby these notices will be e-mailed or sent electronically to you, and made available on, our online banking website. Please see the provision, "Electronic Statements, Notices, Disclosures and Agreements; Electronic Services" for more information regarding e-notices.

**Text Message Banking.** If we make this service available to you, you may agree to receive, via text message on your mobile device, certain notices regarding your membership, account(s) or services with us, whereby these notices will be sent to you via text message and made available on, our on-line banking website.

**Security Safeguards.** Even if you enroll in on-line banking, mobile banking, bill pay, or our electronic document delivery service, we may from time to time require certain transactions to be made in-person, or we may require verification or authentication of your identity, for security purposes before a transaction, or other business with us may be initiated, processed, or completed. You agree and understand that this is for the protection of us and you, and is intended to safeguard your personal information and all funds held in or by the Credit Union, and to help prevent identity theft and bank fraud. You agree that we will not be liable for any delay in, or prevention of, any transaction or business conducted by you due to these security measures.

**Legal Process Against Your Account.** If any legal action is brought against your account such as tax levy, garnishment, receivership, attachment, etc., we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. We will not be liable to you for any such payout, even if it leaves insufficient funds in your account to pay checks you have written or other items that have not yet been processed. Further, we may also be required to freeze your accounts subject to additional instruction from a court of law or its representative. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest in your account and our right to set-off.

**Power of Attorney.** We may allow a third party to act as your attorney-in-fact pursuant to a Power of Attorney ("POA"), but we are not required to do so unless otherwise directed by applicable law. We have the right to review and approve any form of POA and may restrict account withdrawals or transfers. You understand and agree that we are under no obligation to honor any POA and we have no duty to investigate or verify the scope, authenticity, or validity of any POA. We also have no duty to inquire or investigate regarding the use or purpose of any transaction or the propriety or impropriety of any action taken by your attorney in fact. As required by state law, in the event a POA is rejected the Credit Union will send a letter to you at your address on file citing the reason.

**Sharing and Disclosing Account Information.** While we value your right to privacy and confidentiality of your personal information, there are times where your information will be shared and disclosed, as follows:

**With joint account owners and other parties to the transaction.** If you have a joint deposit account or loan account, or if you enter into a transaction or account with us that requires a co-signer, guarantor or a third-party owner of pledged collateral, you specifically agree to allow us to share and disclose, in good faith, information pertaining to those accounts with all your joint owners and other such persons described herein. By agreeing to involve these persons in your accounts and transactions, you acknowledge and agree that you are waiving your right to privacy in this regard and that it is understood that each of you will see each other's personal, non-public information that would otherwise be held in confidence.

**With Third Parties.** We generally do not disclose your account information to third parties except: (1) when it is necessary in processing a transaction, whether that is to pay an item or to send a notice of dishonor or nonpayment; (2) to exchange, in the normal course of business, credit information with third party financial institutions or other business entities or a third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) to provide information to our regulators or law enforcement when we in good faith belief we have been a victim of a crime or we have observed suspicious activity; (4) to a court of law or your legal counsel; (5) in order to comply with a government agency inquiry, subpoena or court order or a valid attachment, garnishment, receivership, or other legal action; (6) you give us written permission; (7) to guarantee a check by a third party; (8) at account opening, account renewal, or account review; (9) when we are attempting to collect a debt owed to us; or (10) any other reasonable disclosure allowed by law and appropriate to the circumstance. You also understand and agree that we may from time to time receive credit reports and other information about you in connection with your accounts or other legitimate business purpose. Upon request, we will give you the name and address of each agency from which we obtain such a report.

**Inactive or Dormant Accounts.** If your account falls below any applicable minimum balance and you have not made any transactions over a period specified in the Fee Schedule, we may classify your account as inactive, abandoned or dormant. Unless prohibited by applicable law, we may charge a service fee for processing your inactive account. You authorize us to transfer funds from another account of yours to cover any service fees. To the extent allowed by law, we reserve the right to transfer the account funds to a general Credit Union account and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with applicable state law. Once funds have been turned over to the State, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

**Death or Incompetence of Account Owner.** We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of a member's death or adjudication of incompetence and are provided satisfactory evidence thereof, such as a certified death certificate or court order. Once we are notified of a member's death or incompetence, we may pay drafts or honor other payments or transfer orders authorized by the member for a period of ten (10) days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the drafts or other items. We may require anyone claiming the owner's account funds to indemnify us for any losses resulting from our honoring that claim. Upon the death of an individual account owner, we will pay all funds on deposit in accordance with the specific instructions on the Account Card such as to a Payable on Death Beneficiary. If there is no beneficiary designation, no probate proceedings or no estate, we may, but are not required to, pay the funds to any heir, who will be solely responsible for any further distribution of the funds. Alternatively, we may hold the funds until a proper court order is presented to us. We may require proper documentary evidence satisfactory to us before we determine the proper treatment of the funds and before we will release funds to any claiming party. Funds in a joint account will be payable subject to the provision: "Joint or Multiple Party Accounts." Any payment of funds upon the death or incompetence of any account holder is subject to our lien and security interest. This Membership Agreement will be binding upon any heirs or legal representatives of any account owner.

**Termination of Accounts and Services.** We may terminate your account or place a freeze on the funds at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery, fraud, or unauthorized use reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; (7) we believe that you have been negligent in protecting your access devices or access codes; (8) you have breached any promise under this Membership Agreement; (9) you do not fulfill the terms of any of the accounts; or (10) we reasonably deem it necessary to prevent a loss to us or to be in the best interests of the Credit Union or our members or employees. If we are informed of such circumstances or otherwise believe that any of these circumstances are about to occur, we may place a stop payment on any item and we will not be liable to you for such a stop payment.

You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account. We are not responsible for payment of any draft, withdrawal, or other item after your account is terminated. However, if we pay an item after termination, you agree to reimburse us.

We reserve the right to require that all checking accounts and related services be closed or deactivated if you move your residence outside the U.S., its territories, or its possessions. If you do not close or deactivate the checking accounts within 30 days of your move, we may close the accounts.

**Termination of Membership.** You may terminate your membership by giving us notice and otherwise following our policies and procedures. You may be denied services or expelled for any reason allowed by applicable law, including having your membership account or primary share account balance fall below the required par value for membership, causing significant disruption to credit union operations or another member's ability to conduct business with us, or causing a loss to the Credit Union. Suspension of services or termination of your membership does not relieve you of your obligations to pay any fees or obligations that you owe us, and you are still responsible for any outstanding items that have not yet been processed or paid. Once membership has been terminated, no further transactions or services will be allowed. Please see our Member Conduct Policy located on [www.UFCU.org](http://www.UFCU.org) for more information.

**Amendments to the Agreement and Change-in-Terms.** Except as prohibited by applicable law, we may change the terms of this Membership Agreement or any other agreements you have with us, including rates and fees and the method with which we determine dividends and interest. We will notify you of any changes in the manner and within the timeframes required by law.

**Changes in Accounts or Ownership.** Any changes in accounts or services requested by you, or any account owner, such as adding or closing an account or service, shall be evidenced by a signed form approved and accepted by us. We reserve the right to require all account owners on a multiple-party account to consent to any changes and to sign the change form.

**Recording Conversations.** You acknowledge and agree that we may record any telephone conversation we have with you, regardless of

whether we so inform you at the time of the conversation. This helps document the transaction or conversation and helps protect both parties.

**Severability; Headings; No Waiver.** If a court holds any portion of this Membership Agreement to be invalid or unenforceable, the remainder of this Membership Agreement shall remain valid and enforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Membership Agreement. We reserve the right to waive or choose not to enforce any and all terms, rights, or remedies under this Membership Agreement and such waiver shall not affect our right to enforce that or another term, right, or remedy at a later time.

**Enforcement.** You are liable to us for any loss, cost or expense that we incur resulting from your failure to follow this Membership Agreement. This shall include reasonable attorney fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions. You authorize us to deduct any such loss, costs or expenses from your account without prior notice to you.

**Electronic Communications.** You authorize us to contact you using any digital device or other telephone number you have provided to us on Your Membership and Account Card, and at any digital device or other telephone number you may furnish to us or we may obtain for you in the future. We may contact you using any electronic means we choose, which may include but is not limited to, voice messages, text messages and other similar electronic methods of communication. If you have furnished us with any email address(es), you understand and agree that we may send you email messages regarding your account(s) with us from time to time. If you have or subsequently entered into any separate consent to receive electronic documentation form, any communications covered by such disclosure and consent shall be subject to the terms and conditions set forth in that disclosure and consent.

You understand that the nature of electronic communications is such that anyone with access to your digital device or other telephonic device or email may be able to read or listen to such transactional or relationship messages from us, and you agree that any person or party sending or leaving such messages shall have no liability for any consequences resulting from the interception of such messages by any other party. Without limitation, you also agree that you are responsible to pay all costs that you may incur as a result of any contact method we choose including, but not limited to, charges for telecommunications, wireless and/or internet charges.

**Elder Financial Abuse.** In the event we should suspect financial abuse of an elder, which is defined to include those aged 65 or older, we may at our sole discretion freeze funds then on deposit and you agree that we may do this. Subject to our policies, if we do freeze such funds, then the account(s) may remain frozen until we receive written notice from the appropriate law enforcement or other government agency as to a disposition of funds on deposit. It is our responsibility to report to law enforcement any specific acts of abuse, neglect or elder exploitation.

**Governing Law.** This Membership Agreement is governed by our Charter and Bylaws, federal and state laws and regulations, local clearing house rules, and the local laws (including applicable principles of contract law) and regulations of the State of Texas. As permitted by applicable law, you agree that any legal action regarding this Membership Agreement are subject to the Arbitration Agreement and shall be brought in Travis County, Texas.