

**TEXANS CREDIT UNION  
BUSINESS MEMBERSHIP ACCOUNT AGREEMENT**

**TABLE OF CONTENTS** (Effective 9/1/2017)

INTRODUCTION (1/17) .....	3
GENERAL TERMS AND CONDITIONS (Rev 7/17) .....	3
1. General Definitions.....	3
2. Rate Information.....	4
3. Nature of Dividends.....	4
4. Fees and Charges.....	4
5. Minimum Balance Requirements.....	4
6. Dividends and Interest .....	4
7. Business Certificates of Deposit.....	5
8. Transaction Limitations.....	5
9. Bonuses.....	5
10. Bylaw Requirements.....	5
11. Par Value of Shares.....	5
12. National Credit Union Share Insurance Fund .....	5
DEPOSIT AGREEMENTS (Rev 7/17) .....	5
1. Account Owner.....	5
2. Authority of Authorized Signers.....	5
3. Endorsements .....	5
4. Withdrawals.....	6
5. Loss.....	6
6. Additional Documentation .....	6
7. Authorized Signatures.....	6
8. Access Devices.....	6
9. Change of Authorized Signers .....	6
10. Membership Requirements .....	6
11. Rates and Fees.....	6
CHECKS AND WITHDRAWALS (Rev 7/17).....	7
1. Payment Authorization.....	7
2. Stale Items .....	7
3. Overdraft, Overdraft Protection, and Courtesy Pay Protection (“Courtesy Pay”).....	7
4. Transactions Clearing Process, Payment Order of Your Transactions.....	7
5. Signatures .....	7
6. Postdated, Incomplete and Conditional Items.....	8
7. Wire Transfers, Automated Clearing house (ACH) and Other Payment Order Transactions.....	8
8. Stop Payment.....	8
DEPOSIT OF ITEMS .....	9
1. Handling of Items .....	9
2. Endorsement Standards .....	9
3. Right to Refuse Deposit .....	9
4. Deposit Verification .....	9
GENERAL PROVISIONS (Rev 9/17).....	9
1. Taxpayer Identification Number and Backup Withholding .....	9
2. Terminology .....	9
3. Inactive and Abandoned Accounts.....	9
4. Money Owed.....	9
5. Account Statements .....	9
6. Check Truncation .....	9
7. Contractual Lien .....	10
8. Dispute Resolution .....	10
9. Power of Attorney.....	10
10. Withdrawal of Services.....	10
11. Closing the Account .....	10
12. Change in Account Information.....	10
13. Transfer of Ownership.....	10
14. Death or Incompetence of Account Owner of a Sole Proprietorship Account .....	10
15. Attorney’s Fees .....	10
16. Amendment.....	10
17. Severability.....	10
18. Reopened Accounts.....	10
19. Governing Law .....	11
20. Credit Reports, Membership Account Eligibility, Other Credit Union Services and Social Media.....	11

**BUSINESS MEMBERSHIP ACCOUNT AGREEMENT**



21. Our Standard of Care .....11  
22. Indemnity.....11  
23. General Limitation of Liability .....11  
24. Third Party Documents. ....11  
25. MANDATORY ARBITRATION OF DISPUTES AND CLAIMS .....11  
26. COSTS, EXPENSES AND ATTORNEYS' FEES.....12  
UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT .....12  
ELECTRONIC BANKING AGREEMENT FOR BUSINESS MEMBERS (Rev 7/17) .....12  
ATM SECURITY GUIDELINES (Rev 7/17).....17  
OUR FUNDS AVAILABILITY POLICY (Rev 1/17) .....18

**BUSINESS MEMBERSHIP ACCOUNT AGREEMENT**

Notice: The laws and regulations governing the financial services we provide are complex. To ensure your understanding of our relationship with you, we provide this detailed agreement which explains both your responsibilities and ours. Please read this document carefully, and feel free to ask any questions regarding these terms and conditions.

**INTRODUCTION (1/17)**

Please also note that the terms of this Agreement may change from time to time as provided for in this Agreement and applicable laws.

**BINDING ARBITRATION: EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THIS ARBITRATION PROVISION SUBSTANTIALLY LIMITS YOUR RIGHT TO BRING A LEGAL ACTION IN A JUDICIAL FORUM (EXCEPT FOR MATTERS THAT MAY BE BROUGHT IN SMALL CLAIMS COURT AS SET FORTH IN THIS AGREEMENT).**

**PLEASE READ THIS SECTION CAREFULLY. THE PARTIES WILL NOT HAVE A RIGHT TO HAVE A JUDGE OR JURY DECIDE ANY CLAIM OR DISPUTE; AND THE ABILITY TO APPEAL IS LIMITED IN AN ARBITRATED MATTER HEREUNDER. ANY DISPUTES WILL BE DECIDED BY A NEUTRAL ARBITRATOR. FURTHER, NEITHER PARTY NOR ANYONE ON THEIR BEHALF CAN PURSUE ANY CLAIM OR DISPUTE IN ANY CLASS OR REPRESENTATIVE CAPACITY. IT IS THE INTENT OF THE PARTIES HERETO TO PROVIDE A FUNDAMENTALLY FAIR AND LESS COSTLY FORUM TO ADDRESS ANY DISPUTES BETWEEN THE PARTIES; AND THE PARTIES SPECIFICALLY AGREE TO THIS ALTERNATIVE METHOD OF DISPUTE RESOLUTION AS AN INTEGRAL PART OF THE RELATIONSHIP BETWEEN THE PARTIES. SEE [PARAGRAPH 25 OF THE GENERAL PROVISION SECTION FOR COMPLETE DETAILS.](#)**

**BUSINESS MEMBERSHIP, ACCOUNT AND ACCOUNT SERVICES AGREEMENT  
GENERAL TERMS AND CONDITIONS (Rev 7/17)**

The terms and conditions of this Business Membership, Account and Account Services Agreement ("Agreement") apply to all Texans Credit Union business accounts. By signing the Membership Account Card and/or by using your account on or after the opening date, you have agreed to be legally bound by the terms of this Agreement. You should keep a copy of this Agreement and anything else we send to you about your account for your records. When used in this Agreement, the terms "you", "your", "Party" and "Owner" mean any person or entity who signs a Membership Application, or any other application in connection with the opening of any account with Texans Credit Union, any such person or entity who maintains an Account with us, or any other person or entity authorized to use or having access to any such account. The terms "we", "us", "our," and "Credit Union" refer to Texans Credit Union. The term "Account(s)" refers to your Texans Credit Union business deposit account(s). In this Agreement, the term "Savings Account" may be used to describe a Share Account with us, and the term "Checking Account" may be used to describe a Share Draft Account with us. You also acknowledge receipt of and agree to be bound by our Business and/or Business Certificate of Deposit Rate Schedule (the "Rate Schedule"), Business Deposit Account Disclosure (the "Disclosure") and Business Deposit Account Disclosure – Important Notices: Fee Schedule (the "Fee Schedule") as they may be amended from time to time and to conform to our rules, regulations, bylaws, and policies now in effect and as amended or adopted hereafter. In case of any conflict between the terms of this Agreement and the disclosures set forth in the Rate Schedule, Disclosure and Fee Schedule, the disclosures appearing in those Schedules will control. This Agreement is incorporated into and made a part of any application or other document which you execute or receive in connection with the opening or use of any Account.

The purpose of this Agreement is to state the terms and conditions that apply to all of your accounts, account services or other relationships with us, including without limitation loan, safe deposit and other services. You understand that the agreements, terms, conditions, rules and regulations applicable to your loans, and any other applicable account(s) or service(s) remain in full force and effect and continue to be applicable, except as specifically modified by this Agreement. Further, except as expressly stated below in regard to third party service providers, to the extent that the terms of a specific Subsection of this Agreement vary from the terms set forth in this Section, the specific terms and conditions of the Subsection will govern our relationship with you. Transactions on your account may also be governed by agreements with third parties such as NACHA's (The National Automated Clearing House Association) Operating Rules, which agreements will also be binding upon you and the Credit Union. To the extent that the terms of any such third party agreements provide for specific processing, reporting or other time periods, or require you to make any claims or provide any notifications or responses, then the third parties' requirements and rules shall govern despite any other general or specific terms or conditions set forth in the entirety of this Agreement.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this Agreement. Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees (including those fees allocable to our in-house counsel), to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to: disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

You authorize us to establish one or more accounts for you or on behalf of third parties 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 Account, Checking Account, Money Market Account, and any Certificate Account. By opening or using any such Account, you agree to be bound by the terms of this Agreement whether you are acting in your individual capacity, in a fiduciary capacity or in your capacity as an officer, agent, or representative of any business entity, association or organization.

**1. General Definitions.**

**a) Annual Percentage Yield ("APY").** The APY is a percentage rate reflecting the total amount of dividends or interest paid on an Account, based on the dividend or interest rate and the frequency of compounding for a 365 day period.

**b) Dividend Rate.** The dividend rate is the declared or prospective annual dividend rate paid on an Account, which does not reflect compounding.

**c) Business Account.** A business account is an account that is established by a sole proprietorship, a corporation, a limited liability company, an association, a club, or similar non-natural person entity. You represent, warrant and guaranty that all accounts and/or other services, including any particular transaction shall be for commercial use, and no service or transaction shall otherwise be used for any consumer, household or family purpose whatsoever.

**d) Authorized Signer (signer).** An authorized signer is any person who has the authority to represent and conduct transactions on behalf of an entity on the entity's account.

**e) Transaction or transactions.** Any deposit, order, transfer, payment, purchase via POS transaction or otherwise, withdrawal or other instruction relating to any account or account service provided by the Credit Union. All instructions to us in any manner shall be given in English; and any instructions given shall be given using simple numerical methods (e.g. to request one hundred dollars you will use: "\$100," "\$100.00," or the English equivalent: "One Hundred Dollars."). We are not obligated to follow any other instructions.

**f) "Balances" and "Available Balances"** Many circumstances will affect your access to the funds in your accounts. Some of these circumstances are beyond the Credit Union's control as they are requirements of the payment networks through which your transactions are processed via the merchants with whom you do business. We may place holds on various deposits as explained in the Funds Availability Section in this Agreement and under certain circumstances explained in Sections 4 in Checks and Withdrawals and elsewhere. Thus, your account records may show a "Balance" and an "Available Balance." The Balance is the total amount of funds in your account(s). The Available Balance is the amount of the Balance that is available for transactions (withdrawals, write checks, debit transactions, online banking or other authorized transactions) at any given time. You should only make transactions against the Available Balance, as these are the only funds you may access even though the Balance may be higher. If you exceed the Available Balance you may overdraw your account since new transactions cannot be processed until additional funds become available. Exceeding the Available Balance may result in Insufficient Funds Transactions, Returned Items and Fees including Overdraft Protection and Courtesy Pay Fees. To determine the Available Balance at any time you may check online banking, ATM, phone banking, etc. **It is your responsibility to check your Available Balance and understand the funds accessibility so that you may avoid making transactions that exceed your Available Balance and incurring additional fees.** **IMPORTANT NOTE:** Your Available Balance may NOT reflect every transaction you have initiated or previously authorized. For example, it may not include the following: 1) checks you have written that have not yet cleared your account; 2) recent credit/debit activities that may not have been posted to your Account yet; 3) the final amount of a debit card purchase (we may authorize a purchase amount prior to a tip that you add); 4) authorized automatic withdrawals (such as recurring debit card transactions, transfers, and ACH transactions that we have not received for payment or which were received after our processing time; 5) debit card transactions that were previously authorized but have not been sent to us for payment (generally within 3 business days but possibly longer for certain transactions). It is your responsibility to manage your financial transactions and reconcile your Account by checking your periodic statements and any outstanding unpaid items before initiating any new transaction.

**g) Biometrics / Fingerprints** means the Credit Union may provide access to your accounts and services through the use of fingerprints or other biometrics. You may elect to the use of such biometrics, and, if so, will cooperate with the Credit Union in implementing any new technology. Biometric technologies may be used for authentication of your identity. A biometric identifier measures an individual's unique physical characteristics and compares it to a stored digital template for authentication. A physical characteristic can be a thumbprint, fingerprint, facial recognition or iris pattern. A biometric identifier can be one of several methods used to access any account or other services.

**2. Rate Information.** The dividend rate and the APY on Share Accounts, Dividend Bearing Checking Accounts, and Money Market Accounts, and the interest rate and APY on Certificates of Deposit are disclosed on the Rate Schedule which accompanies this Agreement. The dividend rate and APY on your Share Accounts, Dividend Bearing Checking Accounts and Money Market Accounts may change every dividend period as determined by the Credit Union Board of Directors. The dividend rate and APY for your Share Accounts, and Money Market Accounts set forth on the Rate Schedule reflect the prospective dividend rate and APY which the Credit Union anticipates it will pay for the current dividend period.

**3. Nature of Dividends.** Dividends are paid from current income and available earnings, after required transfers to reserves, at the end of a dividend period. Dividends are not guaranteed.

**4. Fees and Charges.** The fees and charges which may be assessed against your Accounts are disclosed in the Disclosure and Fee Schedule. You authorize us to charge any account for any such fees or charges assessed without notice to you. If funds in your Account are attached, garnished, or levied against, or if we are prohibited by law from paying on your Account, we may assess a legal process charge. We will debit your Account for any expenses we may incur as a result of any such legal action. Any such legal action may reduce your Account balance and cause your outstanding checks to be returned unpaid. We reserve the right to charge a fee for cashing checks you write. This fee will be collected from the payee at the time the check is cashed. If the payee refuses to pay our check cashing fee, we may refuse to cash your check, even if your check is otherwise properly payable, and we will not be liable to you for dishonor of your check, or otherwise, as a result of such refusal. You may contact your Credit Union representative to learn the amount of the fee.

**5. Minimum Balance Requirements.**

**a) Business Share Accounts (existing Accounts only except for Non-Profit Accounts).** The minimum balance to open this Account is \$5.00. You must maintain a minimum daily balance of \$5.00 in your Account. Dividends are paid on this Account only for those days that a \$25.00 balance is maintained. If you fail to maintain the minimum daily balance of \$5.00, your Account may be subject to closure.

**b) Sole Proprietorship Share Accounts (existing Accounts only).** You must maintain a minimum daily balance of \$5.00 in your Account. Dividends are paid on any balance in this Account. If you fail to maintain the minimum daily balance, your Account may be subject to closure.

**c) Business Checking or Analysis Checking Account (existing Accounts only).** There is no minimum balance requirement. If you maintain a daily balance of \$2,000.00 in your Account during a month, your Account will earn a dividend rate and APY as it appears on the Rate Schedule. There will be a service charge on this account.

**d) Non-Profit Checking Account** The minimum balance to open this Account is \$50.00. There is no minimum balance requirement. Your account will not earn dividends. There will be a service charge on this account.

**e) Business Money Market (for existing business memberships only).** The minimum balance to open a Texans Business Money Market Account is \$2,500.00. Your Account will earn a dividend rate and APY for each day at the rate corresponding to the balance tier set forth in the current Rate Schedule. You must maintain a minimum daily balance of \$2,500.00 to avoid a service charge.

**f) Performance Money Market (for existing business memberships only).** The minimum balance to open a Performance Money Market Account is \$10,000.00. Your Account will earn a dividend rate and APY for each day at the rate corresponding to the balance tier set forth in the current Rate Schedule. You must maintain a minimum daily balance of \$10,000.00 to avoid a service charge.

**g) Business Certificates of Deposit (for existing business memberships only).** The minimum balance required to open this account, is \$1,000.00. You must maintain a minimum balance of \$1,000.00 in this Account. If the Account balance falls below the required minimum balance, you will be required to redeem the Certificate and close the Account. The minimum balance required to open a Jumbo Certificate Account is \$100,000.00. You must maintain a minimum balance of \$100,000.00 in this Account. If the Account balance falls below the required minimum balance, you will be required to redeem the Certificate and close the Account. See Section 7 below, and the supplemental material accompanying your Certificate of Deposit or Jumbo Certificate of Deposit, for additional disclosures applicable to Certificates of Deposit.

**6. Dividends and Interest.**

**a) Compounding and Crediting.** Dividends on all Business Share Accounts, Dividend Bearing Checking Accounts and Money Market Accounts will be compounded monthly and credited monthly as disclosed in the Rate Schedule. The dividend period is the calendar month. If you close your Account before dividends are credited, you will receive dividends accrued through the date of withdrawal. See section 7(a) below for compounding and crediting for Certificates of Deposits.

**b) Balance Computation Method: "Daily Balance Method"** Dividends and interest are calculated by the daily balance method which applies a daily periodic rate to the balance in your Account each day.

**c) Accrual of Dividends and Interest.** Dividends and interest will begin to accrue on the business day that cash and non-cash items, such as checks, are deposited to your Account. Accounts converted from non-dividend bearing accounts will begin to accrue dividends no later than the business day after the account is converted.

**7. Business Certificates of Deposit.** Each type of Certificate of Deposit (a "Certificate") is the savings of a member accepted by agreement for specific amounts, for specific periods of time, at agreed rates of interest. Interest rates for all Certificates are established weekly based on government securities with like terms. When you purchase a Certificate, the interest rate is fixed at the time of purchase until the Certificate reaches maturity. The interest rates and APY on Certificates are set forth in our CD Rate Schedule and are accurate as of the date set forth on the CD Rate Schedule. Please call the Credit Union at the telephone number appearing on the CD Rate Schedule to obtain current rate information. The following additional disclosures apply to each type of Certificate.

**a) Compounding and Crediting.** Interest will be compounded monthly and credited monthly. Interest earned on a Certificate may remain in the Account until maturity, or at your option, may be paid monthly into your Share, Checking, or Money Market Account. The interest payment method on a Certificate may be designated or changed only when the Certificate is purchased or renewed.

**b) Withdrawal of Interest Prior to Maturity.** The APY set forth in the Rate Schedule is based on an assumption that interest will remain in the Account until maturity. A withdrawal will reduce earnings. Interest accrued during any month may be withdrawn during that month without penalty. At the end of any month, if you elect to have interest retained in the Account rather than paid into another eligible account, any subsequent withdrawal of interest will be subject to early redemption penalties.

**c) Transaction Limitations.** After the Account is opened, you may not make deposits into the Account until the maturity date stated on the Certificate. Certificates are non-transferable except for use as collateral for a loan, at our option, or as otherwise permitted by regulations of the Federal Reserve Board.

**d) Partial Redemption and Penalties for Early Withdrawal.** You may make early withdrawals of principal, in whole or in part. The minimum amount of each principal withdrawal you may make prior to maturity is \$1,000.00. We may impose a penalty if you withdraw any of the principal funds before the maturity date, subject to paragraph 7(b) above. Penalties will be imposed only on the amount withdrawn, provided that the Certificate balance remains at or above its minimum purchase requirement. The penalty on a 91 day Certificate will equal 30 days' interest on the amount withdrawn. The penalty on a 182 day Certificate will equal 60 days' interest on the amount withdrawn. The penalty on a Certificate with a term of 12 months or longer will equal 180 days' interest on the amount withdrawn.

**e) Renewal Policies.** Your Certificate will automatically renew at maturity for a like term at the interest rate and APY then in effect. You will have a grace period of 10 calendar days after the maturity date to withdraw the funds in the Account without being charged an early withdrawal penalty. Notwithstanding the foregoing, at our election, we may give written notice to any party to the Certificate, not less than 15 days prior to the maturity date, that the Certificate will not be renewed. In the event that the Certificate is not renewed, funds in the Account on the maturity date will be paid into the Account you have designated on the Certificate and thereafter will earn dividends at the dividend rate and APY which apply to that Account. If you have designated the Certificate Account as your Interest Payment Account, funds in the Account will be paid into your regular Share (Savings) Account.

**f) Maturity Date.** Your account will mature on the date stated in your Certificate or any Renewal Notice the Credit Unions provides to you.

**8. Transaction Limitations.**

**a)** In accordance with Regulation D, during any calendar month you may not make more than six transfers and withdrawals, or a combination of such transfers and withdrawals from your Share Account, or Money Market Account to another Account of yours with us or to a third party by means of a check, draft, debit card, preauthorized transfer or automatic transfer (including overdraft protection) or telephonic agreement, order or instruction (including transfers by personal computer or other data transmission). If an item presented for payment or if a transfer request would exceed the transaction limitations set forth above in any statement period, we may refuse or reverse the transaction, and suspend or close your Account, and we may impose a charge. If you continue to exceed any transaction limits on your Account after the Credit Union has notified you of such transaction violation, your account will be subject to closure.

**b)** For all Business Share Accounts, and Money Market Accounts, we reserve the right to require at least 7 days' notice prior to withdrawal or transfer of funds. We may require no longer than 60 days' notice for a withdrawal from a share or deposit account. A membership share may not be withdrawn unless membership in the credit union is terminated.

**9. Bonuses.** From time to time Texans Credit Union may offer cash or non-cash premiums, gifts, awards or other consideration in exchange for opening, maintaining, renewing or increasing an account. The bonus amount and the requirements to obtain such bonuses may vary at our discretion and will be disclosed to you at the time the account is opened. If the value of any bonuses paid to you exceeds \$10.00, the fair market value of the bonus will be taxable and will be reported as earnings on the account that is opened.

**10. Bylaw Requirements.** An applicant eligible for membership may be admitted to membership under the procedures set forth in our Bylaws, and the applicant shall become a member and be entitled to the rights and privileges of a member upon establishing the minimum initial share balance of \$5.00. We may sweep funds from other share account(s) at Texans to maintain the minimum par value requirements in your share savings account. Membership in Texans Credit Union is not transferable. Members whose notes are defaulted and charged off as a loss automatically forfeit membership when their shares are applied toward the loan balance. In addition, if you have an account that does not maintain a required par value for a membership account, it will be deemed as a request to close the account and withdraw all funds, thereby voluntarily terminating membership in the credit union.

**11. Par Value of Shares.** The par value of a regular share is \$5.00.

**12. National Credit Union Share Insurance Fund.** Member Accounts are federally insured by the National Credit Union Share Insurance Fund.

**DEPOSIT AGREEMENTS (Rev 7/17)**

By opening or maintaining any Business Account with us, you agree that the following terms and conditions shall apply to and govern any such account in addition to the other provisions of this Agreement:

**1. Account Owner.** The term "Account Owner" refers to the person or entity named as the Account Owner on any Business Account Application or Account Modification Request and Authorization ("Application") executed in connection with the opening, maintenance or modification of any Business Accounts with us. You expressly represent that (a) the Account Owner named on any Application is duly organized, validly existing and in good standing under the laws of the state where organized and has filed Articles of Incorporation, or Assumed Named Certificates in a manner sufficient to ensure that no other person or entity shall conduct business under the same name or any name deceptively similar to that of the Account Owner, (b) each officer, agent, representative or other party who signs on any Application as an authorized signer is qualified and authorized to sign in the capacity represented and is empowered to so act on behalf of the Account Owner named, and (c) the Account Owner named on any Application is either presently a member of the Credit Union or is eligible to apply for membership in keeping with the membership requirements set forth below.

**2. Authority of Authorized Signers.** Any of the Authorized Signers on any Application shall be authorized to transact business on behalf of the Account Owner with respect to the account or accounts designated on the Application and are authorized (a) to close any such account(s); (b) to deposit and withdraw any of the funds of the Account Owner in such account(s), whether represented by cash, checks, notes or other evidences of debt; (c) to sign for and receive the statements and records of the Account Owner with respect to any such account(s); (d) to stop payment against checks; (e) to make withdrawals or transfers from any such Account (for the purpose of purchasing Certificates of Deposit in the name of the Account Owner and to redeem any such Certificate of Deposit in the name of the Account Owner; (f) enroll and maintain online banking and to make any other agreements and stipulations with us with respect to such account(s) and to bind the Account Owner thereto.

**3. Endorsements.** The endorsement of the Account Owner of items for deposit may be written or stamped without designation of the party making the endorsement.



**4. Withdrawals.** We are authorized to honor any and all withdrawals of the Account Owner's funds by any of the Authorized Signers, and we need make no inquiry concerning any such action.

**5. Loss.** We will not be liable for any loss occasioned by the fraud, negligence or misapplication of funds by any of the Authorized Signers. The Account Owner and all of the Authorized Signers, jointly and individually, agree to indemnify and hold us harmless from any claims, demands, expenses, losses or damages, resulting from or directly or indirectly related to any activity of such parties with regard to any account maintained with us.

**6. Additional Documentation.** The Account Owner and the Authorized Signers agree to execute or provide such additional documentation as we may require or deem appropriate in connection with the opening and maintaining of any account.

**7. Authorized Signatures.** We will not be liable for refusing any order or item if we believe in good faith that the signature on such order or item is not genuine. We are authorized to honor any transactions initiated by a third person if you provide your access device or other information to a third person. You agree that if you authorize the use of stamp/facsimile signature, electronic signature, access device or biometric, we will not be liable for honoring any transaction or instrument that appears to bear your stamp/facsimile, electronic signature, or made via access device or biometric even if made by an unauthorized person. You are solely responsible to ensure that you maintain the security and possession of any stamp, other facsimile signature, electronic signature, access device or biometric. You assume full responsibility and will indemnify us for all items paid over a forged or unauthorized signature, electronic signature, or access device or biometric.

**8. Access Devices.** We may adopt policies from time to time under which we may issue ATM Cards, Debit cards, personal identification numbers (PINs), log on id, passwords, or codes in connection with Online Banking, or other electronic access devices (collectively, the "access devices") to persons designated by the Account Owner, at the Account Owner's request. You acknowledge and agree that the issuance of an access device, PIN, log on id, passwords, or codes in connection with a Business Account affords ready access to the Account by the person or persons authorized by the Account Owner, as well as other persons who are provided access to the access device, PIN, log on id, passwords, or codes or who otherwise obtain the access device, PIN, log on id, passwords, or codes whether by way of negligence, theft, collusion or otherwise. As a result, you acknowledge and agree that the Account Owner and the persons authorized by the Account Owner to receive an access device, PIN, log on id, passwords, or codes are solely responsible for their use and that we will not be liable for any loss resulting from the unauthorized use of the access device, PIN, log on id, passwords, or codes unless otherwise provided in any disclosures you may receive.

Use of Biometrics / Fingerprints: Credit Union 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 the Credit Union in implementing any new technology. Biometric technologies may be used for authentication. A biometric identifier measures an individual's unique physical characteristics and compares it to a stored digital template for authentication. A physical characteristic can be a thumbprint, fingerprint, facial recognition or iris pattern. A biometric identifier can be used as a single or multifactor process.

**Important Notice on Biometrics:** When you enable biometric access, every person with a recognized fingerprint may access your accounts, view your information, conduct transactions on your behalf, and has your authority to engage in these activities. Use of biometrics may expand the number of persons who have access to your account regardless of the signers listed on your account agreement with us. **IT IS YOUR RESPONSIBILITY TO ENSURE THAT ANY INDIVIDUAL(S) WITH ACCESS TO YOUR DEVICE(S) AND SERVICE(S) HAVE APPROPRIATE PERMISSION AND AUTHORITY TO CONDUCT FINANCIAL TRANSACTIONS ON YOUR ACCOUNT(S). THE CREDIT UNION HAS NO RESPONSIBILITY TO VERIFY THE AUTHORIZATION OF EACH BIOMETRIC USER AND IT IS ASSUMED THAT THEY HAVE AUTHORITY TO CONDUCT TRANSACTIONS ON YOUR ACCOUNTS. FURTHER, IT IS YOUR RESPONSIBILITY TO ENSURE THAT NO UNAUTHORIZED MODIFICATIONS TO YOUR ACCESS DEVICE SOFTWARE OCCUR, AS THESE MODIFICATIONS CAN CAUSE SECURITY VULNERABILITIES.**

Fingerprint authentication technology software (e.g. Touch ID, a service provided by Apple IOS), allows you to use your fingerprint to login to your Access Device securely instead of entering your user id and password. When this software authenticates a fingerprint registered to your Access Device, a secure token is exchanged with the Texans mobile application to permit access – Texans never receives or sees your fingerprint information. Your user id and password will not be stored on your Access Device. For more information on how your software provider protects your fingerprint, please see your provider's Privacy Policy and security guides. Fingerprint authentication technology software can be disabled through the Settings Menu in the Texans mobile application.

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

**10. Membership Requirements.** A Business Account may not be established at the Credit Union unless the Account Owner is a member of the Credit Union. For sole proprietorships, the individual owner(s) must be a member of the Credit Union. For corporations, more than one-half of the corporate shareholders must be within our field of membership. For partnerships, more than one-half of the partners must be within our field of membership. For unincorporated associations, limited liability companies, and other businesses and organizations, more than one-half of the members of any such association, organization or company must be within our field of membership.

**11. Rates and Fees.** Business Accounts are subject to the rates and fees set forth periodically on our Business Rate Schedule and Fee Schedule. Unless otherwise agreed, these charges will be deducted from your Account balance automatically and may cause you to become overdrawn or your outstanding checks to be returned unpaid. If funds in your Account are attached, garnished, or levied against, or if we are prohibited by law from paying on your Account, we may assess a legal process charge. We will debit your Account for any expenses we may incur as a result of any such legal action. Any such legal action may reduce your Account balance and cause your outstanding checks to be returned unpaid. We reserve the right to charge a fee for cashing checks you write. This fee will be collected from the payee at the time the check is cashed. If the payee refuses to pay our check cashing fee, we may refuse to cash your check, even if your check is otherwise properly payable, and we will not be liable to you for dishonor of your check, or otherwise, as a result of such refusal. You may contact your Credit Union representative to learn the amount of the fee. We reserve the right to make changes to our fees and other charges from time to time. Where practicable, notice of such changes will be given by mail addressed to the last address that you have specified for your Account by posting in our branch offices, by making the information available to you in electronic form or otherwise as required or permitted by law.

## CHECKS AND WITHDRAWALS (Rev 7/17)

**1. Payment Authorization.** You authorize us to pay checks signed by you and charge the payments against the applicable Account. Only checks or other methods approved by us may be used to withdraw funds from your Account. You agree that it will be your responsibility to verify the accuracy of information appearing on any checks, deposit slips or other forms, and you agree that we will not be liable for any printing errors on any such forms. The Credit Union approves the vendor(s) listed in the Fee Schedule for check printing due to their high standards. Other companies that provide check printing services may not meet the high standards of our approved vendor(s) or may print terms or limitations that we do not agree to on such checks. Also, you understand that checks can be washed unless you use a wash preventive ink. Therefore, you acknowledge and agree that we have no responsibility or liability to you whatsoever resulting, arising or relating from/to: alterations, forgery, non-payment; returns as no account/insufficient funds or otherwise; limitations we do not specifically agree to in writing; or any other processing/payment error with regard to any check that is not printed by our approved vendor(s) or your failure to use wash preventive ink in the writing of any check(s). In the event that the applicable Account has sufficient funds on deposit to cover one or more, but not all, of the checks or other withdrawal orders presented during any given business day, we may honor those items and allow those withdrawals in any order that we may choose in our sole discretion, including withdrawal orders or checks payable to us, and dishonor or refuse any item or withdrawal order for which there are insufficient funds available thereafter.

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

**3. Overdraft, Overdraft Protection, and Courtesy Pay Protection (“Courtesy Pay”).**

An overdraft occurs when you make or authorize any transaction that exceeds the Available Balance in any account with us that you access by check, any electronic means, or otherwise that we pay OR if we impose a fee that exceeds the Available Balance in your account(s) (“Overdraft”). Unless you have an approved overdraft protection agreement with us, you agree not to cause any Overdraft on any of your accounts with us. If we decide not to pay an Overdraft, the transaction shall result in an insufficient funds transaction (an “NSF”). The Credit Union, in its sole discretion, may pay any Overdraft via a courtesy overdraft program called “Courtesy Pay” or otherwise on a case-by-case basis, but has no obligation to do so, or to continue to do so. You agree to maintain an Available Balance in your Accounts at all times sufficient to pay any withdrawal order (whether oral, written or otherwise), or item presented for payment against the applicable Account. We are under no obligation to pay any order or item, (a) the amount of which exceeds the Available Balance in the Account upon which the order was made or the item was drawn, or (b) which would exceed limitations imposed upon the applicable Account under our policies and procedures, or under applicable law, including Federal Reserve Board Regulation D. In the event that we do pay any such item, we will not waive our right to dishonor any subsequent items presented. If we do pay an item, the amount of which exceeds the Available Balance in the Account upon which it is drawn, or if any item deposited to your Account is subsequently returned and charged back to your Account creating an overdraft, or your account is drawn negative for any other reason, you agree to immediately pay us the amount by which that Account is overdrawn together with any fees which we might assess. You also authorize us to deduct any overdraft from your next deposit, to withhold or to transfer funds from any other account to which you are party in amounts sufficient to cover any overdraft, to withdraw or to transfer funds from any other account, as allowed by law, or to use any other collection remedy available to us by law. If you have requested and been approved for automatic overdraft protection and you write a check or take any other action which would result in an Account becoming overdrawn, such check or action taken shall be deemed to be a request by you to us to transfer available funds from your Share Account, or to make an advance under your Texans Line of Credit (only available for sole proprietorship accounts) with us, in increments which we deem sufficient to pay such item or otherwise remedy the overdraft, together with any service charge we may impose. We will use our best efforts to transfer funds to your Checking Account from your Share Account, or to make an advance under your Texans Line of Credit, in the manner in which you have directed in the Application. We may offer a discretionary, non-contractual means of paying your overdrafts if available funds are not present in your account for transfer. We may at our discretion pay presented items using Courtesy Pay. A fee may be charged for overdraft protection or Courtesy Pay as set forth in the Fee Schedule. If funds are not included in your Available Balance, then any such item presented will be returned to the payee due to insufficient funds and a charge will be made to your Account in such amounts as we may establish from time to time. During any statement period you may not make more than six (6) withdrawals or transfers from your Share Account to another Credit Union Account of yours or to a third party by means of a pre-authorized or automatic transfer or telephonic (including data transmission) agreement, order or instruction. Overdraft protection transfers from your Share Account are counted against this limitation. If you exceed that limit, your Account may be subject to closure. Unless we advised you otherwise, your debit/ATM card may allow you to access overdraft protection and Courtesy Pay on your checking or share draft account subject to the limits we have established. You agree to repay any overdraft and any overdraft fees caused by using your debit/ATM card. Unless stated on the screen of the ATM, a sign near the ATM, and/or your transaction receipt, your stated Available Balance does not include overdraft protection. You understand that even if you check your Available Balance immediately prior to using your card, items such as checks you have written or recent credit/debit activities may not yet have been posted to your Account. You may also, for example, have had an Available Balance in your account sufficient to use your card, but still cause an overdraft on a check that had not yet been processed. If you want to avoid an overdraft, you agree to reconcile your Account by checking your periodic statements and any outstanding unpaid items before using your card. Courtesy Pay may be used to pay an overdraft created by check, debit card transactions, or other electronic means. Items may be paid using Courtesy Pay in the event of uncollected funds or funds in your Account being on hold. We may impose a fee as set forth in the Fee Schedule for any Courtesy Pay, Overdraft, or any NSF. You agree to pay to us promptly the amount of the Courtesy Pay or Overdraft as applicable together with the fee pursuant to the Credit Union’s policies. The Credit Union has no obligation to notify you of any Courtesy Pay, Overdraft, any NSF, or charge that creates a negative funds balance in your account(s). Accounts are subject to closure if a negative balance remains after 10 business days. Whether or not the overdrafts will be paid is discretionary and we reserve the right not to pay. For example, we typically do not pay overdrafts if your account is not in good standing, or you are not making regular deposits, if you have too many overdrafts. Your account may become eligible for Courtesy Pay after the account is open for 30 days.

**4. Transactions Clearing Process, Payment Order of Your Transactions.** To assist you in handling your account(s) with us, we are providing you with the following information regarding how we process the items that you authorize. When processing items drawn on your account, our policy is that your transactions may not be processed in the order in which they occurred, and the order in which the items are received and processed can affect the total amount of overdraft fees. We commonly receive items to be processed against your account(s) multiple times per day in what is referred to as presentment files. Each presentment file received commonly contains many transactions. ATM items are processed in the order in which they are received. Automated Clearing House (ACH) items are processed when received; credit items are processed first and then debits. ACH debits, including items that were converted from checks to ACH, are processed by amount from lowest to highest. After ACH items are processed, paper checks are then processed in order by check number. ATM/POS items are paid in the order they are presented. Items performed in person such as withdrawals or checks cashed at one of our locations or a shared branch, are generally paid at the time they are performed. **Why this is Important to You:** The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. If an item is presented and the Available Balance in your account is not sufficient to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed in the Fee Schedule. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

**5. Signatures.** You authorize us to recognize any of the signatures set forth on the Application in the payment of funds or the transaction of any business for your Accounts. You authorize us to pay a check presented for payment even though the signature or signatures thereon do not correspond exactly with the signatures on the Application. We are not obligated to honor a check unless the signature or signatures do correspond exactly with the signatures on the Application. We may recognize facsimile signatures, signatures imprinted by mechanical devices or any authentication, including orders to pay that are received electronically, or telephonically. We may accept and pay drafts which are submitted by third parties to whom you have

given or otherwise disclosed your account number. You agree that we may act upon and rely upon documentation, correspondence, or other instructions with respect to your Accounts which 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.

**6. Postdated, Incomplete and Conditional Items.** You agree to hold us harmless from any and all loss and liability which we may incur due to our inadvertent payment of incomplete or postdated items, items endorsed "without recourse", or conditional items. You agree that we will not have any duty to discover or comply with postdated, incomplete or conditional items. You agree that we may disregard any information on any check or draft other than the amount of the item, any magnetic and encoded information and the signature of the drawer. You agree that we may decline to accept, process, or pay any item or order which, in our estimation, is ambiguous or otherwise unclear in its terms. You also agree that, at our option, we may use our best efforts to resolve any such ambiguity and you agree to release and hold us harmless from any and all loss and liability which we may incur, or which may arise in connection with our attempts to resolve any such ambiguity or our choice not to attempt to resolve such ambiguity.

**7. Wire Transfers, Automated Clearing house (ACH) and Other Payment Order Transactions.**

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

(b) **Notification.** Under NACHA Rules we are not required to give you next day notice of the receipt of a wire transfer or ACH entry and we will not do so. However, we will notify you in your Account Statement.

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

(d) **Identifying Account Numbers.** You agree that we can rely upon any identifying or account number given to us in connection with any ACH, wire transfer, or Funds Transfer Service even if the number identifies a person different than the named beneficiary, or a financial institution different from the named financial institution. You agree that neither we nor any other institution involved in the transaction have a duty to determine whether the number given matches the intended beneficiary or the named financial institution.

(e) **Interest Payable.** Any rate of interest that we might be obligated to pay to you as a matter of law for a delay or incorrect transfer arising out of our error will be the lower of the federal funds rate at the time of the correction, or the dividend or interest rate which we pay on the Account to or from which the funds transfer should have occurred.

(f) **Security Procedures.** You agree that we may verify the authenticity of payment orders using our security procedures in place at the time of any such order which may include signature verification, call back procedures, the use of identifying words or numbers and identification including but not limited to employee ID badge, valid driver's license, or other photo identification document.

(g) **Cutoff Times.** Transfers received after 4:00 p.m. on each weekday we are open which is not a holiday may be treated as having been received on the next banking day and processed accordingly.

(h) **General.** You agree that only our forms, methods, and procedures may be utilized. You also agree that in the event of an error, we may correct any such error without prior approval by you. Any authorization you make to initiate paperless debit or credit entries will remain in effect until we receive written notice from you that your authorization has been revoked, in a manner and in time to provide us with a reasonable opportunity to act on it.

**8. Stop Payment.** If you don't want us to pay a specific written instrument such as a check, you can ask us to place a "Stop Payment Order" ("SPO") on the instrument. You can notify us by mail, telephone, or in person. Any such instruction must be given to a teller, member service representative or branch manager of the Credit Union. After we have had a reasonable opportunity to act upon your SPO, it will take effect when we record it on your account. A SPO will not be valid and binding on us unless your SPO includes your account number, the number and date of the written instrument, the name(s) of the payee(s), and the exact amount of the instrument. At its discretion, the Credit Union may require that only the person placing the SPO may release the SPO. We will charge you a service charge for any SPO as set forth in the Fee Schedule. If you give an oral SPO, we have no obligation to honor it. If we do honor an oral stop payment order, which is not confirmed in writing by you or us within fourteen (14) days, your SPO will expire and the instrument may thereafter be paid by us.

**If you provide written confirmation, your SPO will be effective for a period of six (6) months. To extend the SPO for an additional six (6) months, you must deliver to us an additional written request as described above.**

The Credit Union will not be responsible for any loss as a result of honoring a check: (1) more than fourteen (14) days after receipt of your oral order to stop payment; (2) more than six (6) months after your written order to stop payment, our written confirmation, or more than six (6) months after a written extension as provided herein; (3) through inadvertence, oversight or accident, we honor any postdated check; (4) if you fail to provide us with complete or accurate information; (5) or fail to meet your obligations as noted in this section or otherwise in this Agreement. We have no obligation to accept any order to stop payment on any certified check, cashier's check, teller's check or other instrument guaranteed by us. You may not stop payment of transactions initiated through the use of an ATM card, debit card or similar device at an ATM or at point of sale. You will be responsible to the Credit Union if any claim or demand is made against us as a result of our acting in accordance with your stop payment order.

**Insufficient Funds:** You agree that any stop payment order received when you do not have sufficient funds on deposit in your account to cover the item on which you are requesting us to stop payment shall be subject to a service charge for return of an NSF item rather than the service charge for a stop payment order.

**Cashier's Checks:** If you seek to return any cashier's check or like item after it is issued to you or another, then you agree we may treat such items as "lost, stolen or destroyed" under the Uniform Commercial Code and reimbursement may not be made for 91-days from the date issued.

You may stop payment of items drawn on your Accounts. You agree to hold us harmless from any claim, loss, damage or expense which we may incur, including attorney's fees, resulting from our refusing payment of any item on which you have stopped payment, or from the payment of any item after your stop payment order has expired. You agree that we may honor a stop payment order, revocation or renewal if made by the person who signed the check to be stopped or any other person who has signed the Account Application or is otherwise authorized to transact business relating to the Account. You agree that we will not be liable for any inadvertent payment of any item, notwithstanding a stop payment order, if we have used ordinary care and followed our usual practices in handling such an order. If an item is paid over a valid stop payment order due to our failure to exercise ordinary care, we will be liable to you for any loss you suffer as a result of that inadvertent payment. You agree that it will be your responsibility to establish any such loss. You agree that we will never be liable for more than your actual loss and that we will not be liable for any special, consequential, incidental or exemplary damages. If we do re-credit your Account, you agree to take whatever action we deem necessary to transfer to us all of your rights against the payee or holder of the item and to assist us if we take legal action against the payee or any other person.



**DEPOSIT OF ITEMS**

- 1. Handling of Items.** We act only as a collecting agent for any items deposited. Any deposit that we accept will be provisional and will be subject to subsequent payment verification. We are not responsible for any deposit or other transaction initiated by mail until the item is actually received. We will not be responsible for any deposit or other transaction made through the use of our night depository or any other unattended facility until the item or items are actually removed from the depository or facility by our personnel. We will not be responsible for any deposit or other transaction during the course of delivery to us by any courier or other third party until the item or items are actually received by our personnel. We have the right to endorse all checks payable to you for deposit into your Account. We will not be liable for the negligence of any correspondent bank or institution nor for any loss incurred in transit when items are forwarded to correspondents. We will not be liable for any delay as a result of any interruption of communication facilities or any other circumstances beyond our control. You agree to bear the risk of any change in the exchange rate with respect to any items which may be payable in foreign currency. You agree that we may charge back any item before payment without notice, whether the item has been returned or not. You agree that, if a check that has been deposited to your account or cashed by you at the credit union is subsequently returned based upon a breach or alleged breach of any transfer warranty, presentment warranty or otherwise, we may charge back the amount of any such item to your account at any time without notice. You agree that we may resubmit an item that has been returned to us for payment, and you waive notice that an item has been dishonored or charged back against your account. You also agree that, if we are charged a fee by any other institution in connection with any of your accounts, a fee expense may be charged to your account.
- 2. Endorsement Standards.** The area from the trailing edge of a check to 1.5 inches from the trailing edge of a check is reserved for the payee's endorsement. The trailing edge of a check is defined as the left side of the check looking at it from the front. You and all other endorser must make your endorsement within this prescribed area. If any endorsement or other writing which you or any other endorser makes causes any error or delay in the processing of the item, you agree that you will be liable for any loss which we incur as a result of that delay or error, and you agree to hold us harmless from any such loss.
- 3. Right to Refuse Deposit.** If you request that we accept a check for a deposit that has already been deposited at a financial institution but returned, we are under no obligation to accept that check for deposit. If we do, however, you agree to hold us harmless from any loss or liability, including special, consequential, incidental and exemplary damages, attorney's fees, and expenses which may arise because of our acceptance of the item. In any event, in our discretion, we may refuse any deposit, limit the amount which may be deposited, accept all or any part of a deposit for collection only, return all or any part of any deposit, or close the Account subject to applicable regulations.
- 4. Deposit Verification.** If you make a deposit and we subsequently determine that the amount of the deposit initially credited was incorrect, we may correct any such error and make corresponding adjustments to your account in order to reflect the correction.

**GENERAL PROVISIONS (Rev 9/17)**

- 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 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 under reporting and you have not received a notice from the IRS that the backup withholding has been terminated or, 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. Terminology.** Credit Union "Shares" represent your ownership interest in Texans Credit Union, and may earn "dividends" as determined by our Board of Directors. Credit Union "Share" accounts may sometimes be referred to as "Savings" accounts, and Credit Union "Share Draft" accounts may sometimes be referred to as "Checking" accounts. The use of the term "Savings" or "Checking", however, does not infer that your accounts will be interest-bearing accounts. Only Certificate of Deposit accounts with us earn interest rather than dividends.
- 3. Inactive and Abandoned Accounts.** If your account falls below any applicable minimum balance and you have not made any Transactions within the period of time specified in the Fee Schedule, you may be charged fees as set forth in the Fee Schedule for inactivity. Although having no obligation to do so, we reserve the right to not classify a particular account as inactive if any owner thereof has other active accounts or services with us. If an Account is presumed abandoned under Texas state law or the state of your last known address, we are required to report it and to pay the funds in the Account to the state of Texas or state of your last known address. 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.
- 4. Money Owed.** Except to the extent otherwise agreed with you in writing, any loans, charges, service or analysis charges, overdrafts or other obligations or other indebtedness now or hereafter owed to us by you may be charged in whole or in part to the Account, to any other account(s) in your name, or to accounts of co-owners and of certain individuals, to the extent permitted by law. You grant us a security interest in the balance in the Account and in any other account(s) in your name, to pay all loans, charges, service or analysis charges, overdrafts or other obligations or other indebtedness now or hereafter owed to us by you. In addition, we may exercise our right of set off without advance notice to you and without regard to any other right that we may have against you or any other party. Such set off shall be effective immediately upon the occurrence of the event giving rise to the set off rights even though we may enter the set off on our books at a later date. Our security interest and right of set off shall prevail and take priority over any adverse claim, change of ownership, pledge, attachment, garnishment, levy, court order or other legal process of any kind whatsoever. Should one of these events occur, we may take any action permitted or required by law.
- 5. Account Statements.** You are responsible for promptly examining each Account statement. Any objection that you may have respecting any item or deposit shown on or missing from a statement will be waived unless made in writing to us, and received on or before the thirtieth (30th) day following the date the statement is mailed. You agree that we will not be liable for any forged, unauthorized or altered item drawn on or deposited to your Account, any item with missing signatures or endorsements, any missing or diverted deposit or any other error or discrepancy if you fail to notify us within that thirty (30) day period, nor will we be liable for any forged or altered item if the forgery or alteration is not readily ascertainable upon inspection. You agree that no legal action may or will be instituted by you against us seeking the recovery of any alleged loss as a result of the payment of a forged, unauthorized or altered item, or as a result of any missing or diverted deposit, or due to any other error or discrepancy unless you have provided us with notice within the period prescribed above. 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 insure that your statements are received, and you agree that we will not be responsible for the loss or theft of your statements. You agree to notify us immediately if you failed to receive a statement for your Checking Accounts monthly, or a statement for your Savings Accounts at least quarterly. It is important that you make note of the time that you regularly receive your statement. You agree to notify us immediately and in any event within 10 days of that time, if you failed to receive your statement. You acknowledge that we employ an automated collection procedure in order to more efficiently handle the high volume of items we process, and for that reason our procedures generally do not include the examination of items. You agree that we are not required to do so and that any such failure will not constitute a lack of ordinary care in the payment of any item. Notwithstanding the foregoing, the time period for notifying us or making a claim under the Check 21 Act, with respect to a substitute check or an image of a substitute check that is sent with a statement or that appears on a statement, will be as set forth in the Check 21 Act.
- 6. Check Truncation.** 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, subject to any fee disclosed on the Fee Schedule. You agree that your duty to examine

statements promptly, and your obligation to notify us in the event of any error, is not waived or diminished in any respect by our retention of checks drawn on your Account.

**7. Contractual Lien.** Unless otherwise prohibited by applicable law or our policies and procedures, you may pledge all or any part of your shares and deposits as security for any loan. In addition to any lien we have as a matter of law, you grant us a contractual lien on all shares, deposits, and accrued dividends and interest in any Account in which you have an interest to the extent of any loans made to you and any other obligation of yours which you owe to us, which lien secures repayment of any such loan or obligation to the extent not prohibited under the law. You agree that we may exercise our lien and apply the entire amount in any such Account against the indebtedness of any Owner or Signer owing to us notwithstanding the interest of any other Owner or Signer in the Account, and without notice. 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 cash a check for you, or at your request, over the counter and any such check is subsequently returned unpaid for any reason, you agree that we may charge the amount of the item against the account. If we elect not to enforce our lien at any time, we do not waive our right to enforce that lien on subsequent occasions. The lien secures all direct and indirect indebtedness which you may owe to us whether as a borrower, co-maker, guarantor or otherwise. You agree that, with regard to any indebtedness owing to us secured by your principal residence, our lien on shares and deposits shall not be construed so as to diminish or forfeit any security interest in or indebtedness secured by such residence, nor shall our lien be construed so as to permit the modification of any claim we may have under 11 U.S.C. §1322(b)(2), and to the extent that this lien is so construed, it is hereby waived and shall be void.

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

**9. Power of Attorney.** Texans will only accept durable powers of attorney. Texans will accept a power of attorney in accordance with the provisions of Texas state law. Texans may also refuse acceptance of a power of attorney for the reasons permitted under such law. In the event acceptance of a power of attorney is refused, Texans will provide you written notice of, and explanation for, such refusal within the timeframe designated under law. You agree that we have no obligation to verify the scope, authenticity and/or validity of any power of attorney presented to us. You further agree that we have no duty to inquire as to the use or purpose of any transaction requested or performed by your agent. We will continue to recognize the authority of your agent until we receive your written notice of revocation of your power of attorney, and have had reasonable time to act upon such revocation. You agree to indemnify and hold Texans harmless for its acceptance of any power of attorney that we believe, in good faith, you have authorized.

**10. Withdrawal of Services.** In the event that any member causes us a loss or makes known his or her intention to cause us a loss, whether by way of loan default, Account overdraft, or otherwise, or in the event that any Credit Union member has been abusive in the conduct of his or her affairs with the Credit Union, it is our policy to withdraw member services otherwise extended to that member including but not limited to the right to maintain Accounts and the right to payment of dividends or interest, and you agree that we may do so. Your credit union membership may be terminated if you cause us a loss.

**11. Closing the Account.** Any Authorized Signer on an Account may close the Account at any time. Your right to close an Account is subject to any statutory or contractual lien existing in our favor and any legal process levied against any such Account. We may close any Account at any time and disburse funds on deposit in any such Account to the Owner(s) or Signer(s) of the Account or in satisfaction of any obligation owing to us, in any manner we deem appropriate, if (a) any of the events set forth in the preceding paragraphs 8 or 10 should arise, (b) we believe that we may suffer a loss if the Account is not closed or we believe that the volume of account activity exceeds that which we can reasonably and safely process, (c) we determine that any party to the Account or 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, or (d) there has been a change in Account ownership or a change with regard to the persons authorized to sign on the Account. You will still be liable to us for any service charges, returned checks or overdrafts, which may occur after the Account is closed.

**12. Change in Account Information.** You agree to promptly inform Texans Credit Union of any changes to the information you provided to us on your Business Account Application, including any change of address, phone number, e-mail, name, or company officers by writing us at P.O. Box 853912, Richardson, TX 75085-3912 or by visiting a branch. You must inform us, at least annually, of any changes in the officers of your business. We may ask you to execute and deliver to us new account resolutions and signature cards before the change is made effective.

**13. Transfer of Ownership.** YOUR ACCOUNT IS NOT ASSIGNABLE OR TRANSFERABLE EXCEPT ON OUR RECORDS. We must approve any pledge of your Account as security for a debt, and any pledge remains subject to our security interest and right of set off, unless we otherwise agree in writing. If you wish to transfer ownership of your Account, we may require that your Account be closed and a new one be opened by and in the name of the new owner(s).

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

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

**16. Amendment.** You agree that we may amend this Agreement, the Rate Schedule and the 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. This includes the right to convert your Account from one product to another. Where practicable, we will provide a notice of an amendment to the last address which you have specified for your Account, or notify you otherwise as required or permitted by law.

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

**18. Reopened Accounts.** Should your Account be closed at any time or times by withdrawal of the Balance of the Account, and later reopened by you, such reopened Account shall be subject to all of the terms and conditions of this Agreement, whether or not any new signature card or other Account agreement is signed.

## BUSINESS MEMBERSHIP ACCOUNT AGREEMENT

**19. Governing Law.** This Agreement shall be governed by the Texas Credit Union Act, the Rules and Regulations of the Texas Credit Union Department, our Bylaws, federal law, and, to the extent not preempted by federal law, the laws of the State of Texas. You acquiesce and submit to personal jurisdiction in the State of Texas. Venue is proper in Dallas County, Texas.

**20. Credit Reports, Membership Account Eligibility, Other Credit Union Services and Social Media.** To verify your eligibility or continued eligibility for membership, any account(s), service(s), or loan products; increases or decreases in services and/or credit limits, now and in the future; or as needed to comply with any applicable law, regulation or governmental agency requirements, you authorize us to make inquiry to verify your identity to determine your employment history and to obtain information concerning any accounts with other institutions and your credit history, including consumer credit reports. You agree that this authority applies to any account, account-related service, loans or other financial products you request or which we may offer or make available to you. You agree to comply with all our requirements for identification which we may require, including: photographing; video recording; and providing fingerprints or other biometrics. We may also report information concerning your account(s) and credit to others. You also understand that you may elect from time to time to use the Credit Union or other parties' social media tools and sources; that there is no claim of privacy or privilege regarding information shared or discernible from such use or sharing; and the use of such information by us does not violate your privacy or other rights. If you have consented to communicating with us via social media we may use any social media addresses you may provide for general correspondence; provided, however, official correspondence will continue to be sent to the account address or email address on file.

**21. Our Standard of Care.** Our responsibility to you is limited to our exercise of ordinary care in performing the services covered by this Agreement. Substantial compliance with our standard procedures shall be deemed to be the exercise of ordinary care. Except for losses caused by our failure to exercise ordinary care or our failure to act in good faith, you agree that we will not be liable for any action or inaction regarding the payment or non-payment of items, collection of items, other withdrawals, or the transfer of funds in satisfaction of overdrafts. We will not be liable for the action or inaction of any third party in handling items deposited to or withdrawn from your Account. NO THIRD PARTY SHALL HAVE ANY RIGHTS OR CLAIMS AGAINST US UNDER THIS AGREEMENT.

**22. Indemnity.** If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require a bond or other protections. An example of the kind of protection asked for would be your promise to protect the Credit Union against any claims (an indemnity).

**23. General Limitation of Liability.** We are not liable to you for any loss caused by an event beyond our reasonable control, including circumstances that prevent or delay us in performing our obligations with regard to any transaction, such as acting on a payment order, crediting any funds transfer to your Account(s), processing an item or crediting your Account(s). Circumstances beyond our reasonable control include, but are not limited to: a natural disaster; adverse weather conditions; acts of God; acts of terrorism; emergency conditions including any risk of loss to the Credit Union; a legal constraint or governmental action or inaction; strike or stoppage of labor; power failure; the breakdown or failure of our equipment for any reason; the breakdown of any communication or transmission facilities, any mail or courier service; suspension of payments by another party; data breaches of third party service provider or any matter resulting in whole or part from your act, omission, negligence or fault. The Credit Union has no liability to you whatsoever for any transaction using a device debit card: (1) we have not issued; or (2) is issued by another party with whom we have no written agreement. Provided we have complied with our obligations under this Agreement, you agree to indemnify, defend, and hold us harmless against any claim of a third party arising from or in connection with this Agreement or the service we provide hereunder.

We make no warranties, express or implied, in connection with the services we provide you under this Agreement, including, without limitation, the warranties of merchantability and fitness for a particular purpose.

In no event will we be liable for any consequential, incidental, special or indirect losses, damages, including dishonor of checks or other items, or expenses (including counsel fees), which you may incur or suffer by reason of this Agreement or the services we provide hereunder, whether or not the possibility or likelihood of such loss, damage or expense is known to us.

We may issue you the number of Passwords, PINs or other access keys (together "passwords") for your accounts or account services that you request. You shall have sole and exclusive responsibility for providing the passwords to those individual(s) whom you authorize to use the card(s). We shall have no liability for transactions performed using your card and a PIN issued to you regardless of whether you deem such transactions to be authorized or unauthorized.

**24. Third Party Documents.** From time to time you may present us with certain documents to which the Credit Union is not a party (examples include but are not limited to: business operating agreements; contracts; court orders such as divorce settlement agreements; etc.). The Credit Union may require such documents for a purpose such as proving the existence of an entity as required by applicable laws. However, the Credit Union is not a party to such agreements and mere possession of these documents does not in any way imply or impute knowledge of the contents of such documents to the Credit Union or its employees.

**25. MANDATORY ARBITRATION OF DISPUTES AND CLAIMS.** Arbitration is a method of deciding disputes outside the court system. The parties agree and understand that they choose arbitration instead of litigation to resolve all claims and disputes not specifically excluded. This provision governs when and how any disputes you and we may have will be decided. Unless specifically prohibited by applicable law all disputes, claims, damages, choses in action, claims for injunctive relief or controversies arising from or relating in any way to the agreements, relationships, accounts, loans, or security agreements between you and us; the relationships which result or arise as a result of this Agreement; any rights, privileges or services you receive from us now or in the future; any claims or disputes arising in or ancillary to any bankruptcy or other insolvency proceeding; or the validity of this clause (together referred to collectively as Agreement), shall be resolved by binding arbitration by a single arbitrator chosen with the mutual consent of the parties. If for any reason the parties do not consent to an arbitrator within thirty (30) days from the date that notice of a claim or intent to arbitrate is provided to the other party, then an arbitrator will be selected pursuant to the Rules of the American Arbitration Association ("AAA"). The parties agree and understand that the arbitrator shall have all power provided by the law and this Agreement to make and enter findings of fact and determination of judgment based on the parties' Agreements and applicable law, including but not limited to the rights of possession, off-set, property rights, money damages, declaratory relief, and injunctive relief. No arbitrator shall have the jurisdiction or authority to add to, take from, nullify or modify any of the terms of the Agreement. The arbitrator shall be bound by the facts and evidence submitted to him. Arbitration will be subject to the rules of procedure and evidence consistent with the Rules of the American Arbitration Association, and the Arbitrator will not apply federal or state rules. The decision of the arbitrator shall be final and binding and may be enforced in accordance with the terms of either the Federal or applicable State Law, except for any specific appeal right regarding a judgment under the FAA or a judgment for more than \$100,000. Any party may appeal to a three-arbitrator panel appointed by and under the rules of the AAA.

**WITH THE EXCEPTION EXPLAINED HEREIN, THE PARTIES AGREE AND UNDERSTAND THAT ALL DISPUTES (INCLUDING ALL LEGAL AND EQUITABLE RIGHTS AND REMEDIES) ARISING UNDER CASE LAW, STATUTORY LAW, AND ALL OTHER LAWS INCLUDING, BUT NOT**



**LIMITED TO, ALL CONTRACT, TORT, REGULATORY, AND PROPERTY DISPUTES WILL BE SUBJECT TO BINDING ARBITRATION IN ACCORD WITH THIS AGREEMENT.** Notwithstanding anything hereunto the contrary, the Credit Union retains an option to use judicial or non-judicial relief to enforce a security agreement relating to any collateral pledged to secure the Agreements between the parties, to enforce all monetary obligations by you to the Credit Union so long as there is no dispute that is subject to mandatory arbitration, or to foreclose on any collateral securing your obligations to us by way of replevin, claim and delivery, or otherwise. The initiation and maintenance of an action for judicial relief in a court [on the foregoing terms] shall not constitute a waiver of the right of any party to compel arbitration regarding any other dispute or remedy subject to arbitration in this Agreement, including the filing of a counterclaim in any action brought by the Credit Union pursuant to this provision.

Any arbitration proceeding will take place in Dallas, Texas. Each party must bear all of their own expenses, including the party's own attorneys, experts, and witnesses, regardless of who wins the arbitration, except to the extent that applicable law specifically requires otherwise. The rules of the AAA will be applied to any arbitration between the parties, except in the event of any inconsistency between this Agreement and the rules of the AAA, in which case this Agreement will govern.

**26. COSTS, EXPENSES AND ATTORNEYS' FEES.** All owners of account(s) or service(s) with us agree, jointly and severally, to pay us for all costs and expenses, including attorneys' fees we may incur: (1) If it is necessary for us to bring any legal or other action to collect any sum you owe the Credit Union; (2) If we incur any costs or expense as a result of any order or instruction received from any owner or any owner's agent under this Agreement, any adverse claim, legal process; your failure to comply with any obligation in this Business Membership Account Agreement or otherwise; (3) If we incur any expense as a result of any dispute, adverse or inconsistent claims; (4) If we bring any action contemplated in this Agreement; (5) If we successfully defend any claim against the Credit Union brought by any owner, agent, personal representative, executor, heir or other party in interest brought via any formal or informal process (including but not limited to arbitration or mediation) involving your accounts or services with us; or (6) If we deem it necessary to seek the advice or opinion of legal counsel or other professionals regarding the bona fides or legality of any transaction(s) to/from your accounts or involving any services with us, or any request for information or documentation regarding any of your accounts and/or services with us. If you are responsible to pay us any costs of collection or legal expenses incurred in collecting any amount you owe; in enforcing or protecting our rights under this Agreement or otherwise; or as provided in this subsection, including but not limited to costs of repossession, repair, appraisal, and all other costs or expenses, you agree to pay us the actual amount of such costs and expenses together with reasonable attorneys' fees. Any costs, expenses or fees hereunder will be paid from any of your account(s) with the Credit Union before payment to any owner or other party. If the amounts in your account(s) are not sufficient, then the owner(s) of the affected account(s) or parties to any applicable services will immediately pay any difference.

**UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT**

The Unlawful Internet Gambling Enforcement Act of 2006 prohibits any person engaged in the business of betting or wagering from knowingly accepting payments in connection with the participation of another person in "unlawful Internet gambling," defined as "placing, receiving, or otherwise knowingly transmitting a bet or wager by any means which involves the use, at least in part, of the Internet where such bet or wager is unlawful under any Federal or State law in the State in which the bet is made." Restricted transactions are prohibited from being processed through your account or relationship with Texans Credit Union. Restricted transactions generally include credit, debit, electronic fund transfers, checks or drafts from another person in connection with unlawful Internet gambling. Texans Credit Union reserves the right to deny or block restricted transactions and repeated attempts may result in account closure.

**ELECTRONIC BANKING AGREEMENT FOR BUSINESS MEMBERS (Rev 7/17)**

This section governs transactions initiated by you or your employees using a Texans Credit Union Debit Business Card, or other Credit Union card products offered to business customers from time to time by the Credit Union ("Business Debit Card(s)"). Your use of business debit cards is subject to the fees and terms of your checking and savings accounts as set forth elsewhere in this Agreement and in related Fee Schedule, which are available at any branch. Some ATM networks impose an additional transaction fee unrelated to our fees and charges and may be assessed to your account.

Other electronic transactions against your account, whether or not initiated or authorized by you will be governed by the specific Agreement between us related to such transactions and/or all applicable rules and regulations governing such transactions, including without limitation, the rules of the National Automated Clearing House Association (NACHA) as may be amended from time to time.

Under NACHA rules we cannot return an unauthorized electronic transaction (ACH debit) unless you notify us no later than 5:00 p.m. Central Time on the business day following the settlement date of the transaction. Otherwise, your sole recourse is to the originator of the transaction.

**ACCOUNT ACCESS:** Any Credit Union Business Debit Card or personal identification number (PIN) issued to or selected by you may access only related business checking or business savings accounts (for example, accounts with the same name or tax identification number). From time to time, we may communicate with you and others authorized to use your account, your PIN, your Password, your Code or your Cards. Those communications may include a PIN, Password, Code or Card. We will send those communications to your address as reflected in our records, and you agree that we will have no liability to you or to any other person if our communication to you is stolen or otherwise intercepted by any person at any time. You acknowledge and agree that it is your responsibility to notify us of any possible unauthorized use of your PIN, Password, Code or Card, if your Card has been lost or stolen, or if your PIN, Code or Password has otherwise been compromised, or of any changes to the authorized signers on your Business Accounts.

**General.** You agree that only our forms, methods, and procedures may be utilized. You also agree that in the event of an error, we may correct any such error without prior approval by you. Any authorization you make to initiate paperless debit or credit entries will remain in effect until we receive written notice from you that your authorization has been revoked, in a manner and in time to provide us with a reasonable opportunity to act on it.

**LIMITS ON TRANSFERS:** The terms of your deposit account may restrict the number of withdrawals you may make from your account each month. Restrictions described earlier in this brochure and in other disclosures and agreements you received at the time your account was opened or when additional products or services were accessed, will also apply to your electronic withdrawals and electronic payments unless specified otherwise.

**Transfer to External Account (via Texans Online Banking):** When you use the external transfer service through Cash Edge, you may make transfers to and from external financial institutions with accounts in the same name. External transfers are limited to \$2,000 per day or \$5,000 per month per member. A transfer can take between 3-4 banking days to process. A transfer must be completed prior to a new transfer being scheduled. Only one transfer is allowed at a time. If "back to back" transfers are scheduled subsequent transfers will be cancelled. You are only allowed to make one transfer every 5 banking days. A fee may be assessed for each transfer performed through this service, as stated in the Fee Schedule.



**Security:** For security reasons, there are limitations on the transactions that you may perform with any of your Credit Union Debit Cards or Credit Union ATM Cards per day. There are limitations on the dollar amount of cash withdrawals at ATMs and or cash that you receive from merchants over the amount of your purchase. There are also limitations on the total dollar amount of purchases at merchants and or cash advances at Mastercard® member banks you may perform during each 24-hour period beginning at 9:00 p.m. Central Time.

Our standard transaction limits are \$500 per day for cash withdrawals and \$5,000 per day for purchases. We may change these maximum daily limitations based on periodic risk assessments and we reserve the right to make such changes without notice to you. Transfer limits are also subject to temporary reductions to protect the security of customer accounts or transfer systems.

**Debit Card Transactions:** When we receive an electronic notice that a Credit Union Debit Card Mastercard transaction has been authorized against your account, we will place a hold on your account for that amount. Some merchants (e.g., hotels, restaurants, gas stations, car rental agencies) estimate the amount of the anticipated purchase for the purpose of determining an authorization amount. As a result, the amount held against your account may be less or greater than the final transaction amount presented. Your available account balance will be reduced by the amount held for all pending debit card Mastercard purchases from the time we receive the notice until the item is presented or three business days, whichever occurs first. If we release a hold due to the expiration of three business days, your account may still be debited if and when the transaction is presented to us for processing.

During that time, sufficient funds may not be available to pay checks or other electronic transactions, and you may be subject to an overdraft or insufficient funds fee.

**Purchases at Merchants:** You may use any of your Credit Union Debit Cards to make purchases at Mastercard® merchants that accept debit cards. You may use your Credit Union ATM Card and any of your Credit Union Debit Cards to make purchases by entering your PIN at participating merchants. You may also get cash from a merchant, if the merchant permits. Purchases made with your card will result in debits to your “primary” checking account. These transactions will be itemized on your monthly statement, including the merchant name, location, the date of purchase and the amount of the purchase.

**Other Electronic Transactions:** In addition to transactions initiated by using your Credit Union Debit Card, there are other electronic banking transactions that you may arrange through your account. These include:

- Telephone/personal computer activated transfers of funds from your accounts with us to other accounts with us or to third parties. These include but are not limited to transfers made by telephone, text, online and mobile banking.
- Automatic transfer of funds between checking and savings accounts.
- Automatic periodic payments to third parties or us from checking or savings accounts (for example, monthly mortgage payments, installment loan payments, insurance payments, utility payments).
- You can also use any of your Credit Union Debit Cards to obtain a cash advance from your checking account at any Mastercard® member bank anywhere in the world.

**FEES:** We will charge you fees for electronic funds transfers in accordance with the information found in our Fee Schedule. The fees may be changed at any time, subject to our giving you any notice required by law.

**ATM SURCHARGES:** When you use an ATM that is not identified as ours with the Credit Union name, you may be charged a fee by the ATM operator or any network used to complete the transfer (and you may be charged a fee for a balance inquiry).

**USING YOUR CARD FOR INTERNATIONAL TRANSACTIONS:**

**Prior to traveling out of the country,** please contact us at 972.348.2000 or 800.843.5295 to notify us of your plans. If a suspicious transaction or a transaction out of your normal spending pattern appears, it is possible that your debit card could be blocked. Please contact us so we can notate your account(s). You may use your Credit Union Debit Card for retail purchases with international merchants, for international cash advances and all transactions performed at international ATMs that bear any of the network logos found on your card. Some merchant and ATM transactions, even if you and/or the merchant or ATM are located in the United States, are considered international transactions under the applicable network rules, in which case we will add International Processing Fees to those transactions. Credit Union does not control how these merchants, ATMs, and transactions are classified for this purpose. If the transaction requires a currency conversion, the exchange rate in effect when processed may differ from the rate in effect on the date of the transaction or the date of the posting to your Account. Transactions processed through the Mastercard® system will be converted according to the applicable rules established by Mastercard®. The foreign currency transaction will be converted to U.S. Dollars by multiplying the amount of the foreign currency times (a) a rate selected by Mastercard® from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Mastercard® itself receives, or (b) the government-mandated rate in effect for the applicable central processing date. For transactions processed through other networks, the international currency transaction will be converted by that network in accordance with their rules.

Additional fees may apply. If you need to contact us about your card while outside of the United States, call us at 972.348.2000.

**BALANCE REQUIREMENTS:** Transactions using your business debit card(s) will be completed only if sufficient funds are available in the applicable account balance, overdraft protection or other linked credit facility to fully perform the transaction.

**UNAUTHORIZED TRANSACTIONS AND LOST OR STOLEN CARDS AND SECURITY:** You are solely responsible for maintaining the security of your Credit Union Business Debit Cards and PINs and their use by you and your employees and other agents. You shall be liable for the acts of your employees and agents related to your business debit card(s), including business debit card applications and other service requests. If you provide another person with the means to perform transactions related to your accounts using your business debit card or PIN, any resulting transactions will be treated as if they were performed and authorized by you.

**Your Liability for Unauthorized Transfers.**

You agree that losses from the unauthorized use of your Password or Code on your Business Accounts will be your sole responsibility and that we are not liable for any such losses under any circumstances. You agree that we will not be liable for any losses whatsoever that are caused, directly or indirectly, or in any respect related to the use of your Texans PIN to access Texans Online Banking Services. You acknowledge and agree that the procedures and instructions set out above and in other agreements you may receive at the time you subscribe for a Service or receive a Card regarding the security and safekeeping of your PIN, Password, Code and Cards, and the security of home banking transactions in general, are commercially reasonable and you agree to be bound by and to comply with those procedures and instructions.

**Our Liability.** If we allow a payment or transfer to be made in an amount in excess of the amount you instructed, our liability to you will be limited to the amount erroneously transferred or paid. You agree that, prior to reimbursing you, we may first make reasonable efforts to recover from the transferee such amounts erroneously transferred or paid. In the event that we allow a transfer or payment to be made in an amount that is less than the amount you instructed, or if we delay or fail altogether to make a transfer or payment in keeping with instructions we receive from you, our sole liability shall be to make the payment or transfer in keeping with your prior instructions within a reasonable time. Under certain circumstances, we will have no liability whatsoever if we do not complete a transfer to or from your account on time or in the correct amount. 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 the ATM where you are making the transfer does not have enough cash.
- If the ATM was not working properly and you knew about the breakdown when you started the transfer.
- If you do not obtain confirmation at the time you initiate a transfer or payment.
- If your equipment, the Texans Online Banking Services, or any communications link is not working properly and you knew about, or had been advised by us about the malfunction before you execute the transaction.
- 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. Please refer to that agreement.

**Debit BusinessCard is a registered trademark of Mastercard International, Inc.**

MASTERCARD® offers Zero Liability for certain transactions with your Texans Debit Business Card issued by Mastercard, and this policy applies to use of your business debit card. However, this policy does not extend to ATM transactions or PIN transactions not processed over the Mastercard® network. The Mastercard Zero Liability policy is subject to certain conditions. The cardholder has exercised reasonable care in safeguarding such card from risk of loss, theft, or unauthorized use and upon becoming aware of the loss or theft you must promptly report the loss or theft to the Credit Union to be eligible for Mastercard Zero Liability. If you do not meet the conditions for zero liability, there is not a limit for your maximum liability for unauthorized use.

In any case, you must report an unauthorized transaction to us within a reasonable time, not to exceed 60 days, from the day we send or make your account statement available to you on which an unauthorized transaction is first reported. Failure to report an unauthorized transaction within such 60 days will conclusively mean the transaction is authorized.

Unauthorized use means the use of a Mastercard card by a person other than the cardholder, who does not have authority for such use and from which the cardholder receives no benefit.

If you believe that an erroneous or unauthorized transaction has occurred using your business debit card(s), or if your business debit card has been lost contact us at 972.348.2000.

**GENERAL PROVISIONS:** Your card(s) may, but need not, be retained by any ATM or merchant if:

- the PIN is wrong after repeated attempts;
- your card was reported lost or stolen;
- your card was closed for misuse;
- all of your accounts linked to your card(s) have been closed;
- your card expired or was replaced;
- the machine is not operating properly.

We may refuse to issue a card to you or to reissue a card to you if you have previously had one. Each card issued by us remains our property, is not transferable (other than to your authorized employees) and may be canceled, revoked or limited by us at any time without prior notice to you. In the event of cancellation or revocation, your card must be surrendered to us upon demand. If you attempt to use your card after it has been canceled or revoked it will be retained. For your protection, your card also may be retained in situations where it appears to us that there is or may be a danger of loss, theft or unauthorized use.

No electronic fund transfer may be made and no transaction that you attempt to initiate will be completed if your Business Debit Card is damaged, has expired, has been canceled or revoked or is retained for any reason or your account(s) has (have) been closed.

Upon receipt of a request for authorization of a transaction made with your Business Debit Card, you, (or your agent on your behalf) authorize us to deduct the amount immediately from the available balance in your account.

You understand and agree that you may not place stop payment orders on any transaction originated by use of your Business Debit Card.

We reserve the right at any time and without notice to eliminate any or all of the services that currently are available to you by use of your card or to add new services.

We may, from time to time, limit the type, number and dollar amount of any transfers made by use of a Business Debit Card, notwithstanding the amount in your account(s), and terminate or suspend the operation of any or all cards, ATMs or merchants, without notice.

Where you have authorized any other person to use your card in any manner, your authorization shall be considered by us to be unlimited in amount and manner and will be effective until you have notified us in writing that you have revoked the authorization, and have taken all other necessary steps to revoke it and we have had a reasonable opportunity to act on such notification including cancellation of your card and issuance of a replacement card.

**FUNDS TRANSFER SERVICES**

**WIRE AND ACH TRANSFER REQUESTS – GENERAL RULES:**

This section covers your rights and responsibilities with regard to Wire Transfer requests you initiate or receive. The “Funds Transfer Agreement and Authorization” is provided to you under separate cover, where applicable. We may use Fedwire to execute any Wire Transfer request; Fedwire is the Funds Transfer system of the U.S. Federal Reserve Banks. If any part of a Wire Transfer request is carried out by Fedwire, your rights and responsibilities are governed by Regulation J of the U.S. Federal Reserve Board. Without limiting the foregoing, certain provisions of the Uniform Commercial Code, Article 4A (UCC, Article 4A), may apply to Commercial credit transactions (Non-Consumer). We may, at our discretion, contact you

## BUSINESS MEMBERSHIP ACCOUNT AGREEMENT



for confirmation of your Wire Transfer request prior to processing. Failure to receive confirmation may result in your Wire Transfer request not being processed.

If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. Credit Union reserves the right to temporarily suspend processing of international transactions for verification which may result in a delay in settlement or crediting. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

Using us to send or receive funds transfers shall constitute your acceptance of these terms of agreement.

To the extent that the terms contained in this Agreement are different than those in any other agreement or terms of account, this Agreement shall control and be deemed to modify such other agreements or terms of account.

We may establish or change cut-off times for the receipt and processing of funds, transfer requests, amendments, or cancellations. Unless other times are posted for the various types of fund transfers, the cut-off time set forth in the Rate and Fee Schedule is for each weekday that we are open which is not a holiday. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next following funds transfer business day and processed accordingly.

We may charge your account for the amount of any funds transfer initiated by you or by any person authorized by you as an owner or other authorized party with the right of access to the account from which the funds transfer is to be made.

We may establish, from time to time, security procedures to verify the authenticity of a payment order. You will be notified of the procedure, if any, to be used to verify payment orders issued by you or for which your account will be liable. You agree that the authenticity of payment orders may be verified using that security procedure unless you notify us in writing that you do not agree to that security procedure. In that event, we shall have no obligation to accept any payment order from you or other authorized parties on the account until you and us agree, in writing, on an alternate security procedure.

If you give us a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying or account number, payment may be made by the beneficiary's financial institution on the basis of the identifying or financial institution account number, even if the number identifies a person different than the named beneficiary. This means that you will be responsible to us if the funds transfer is completed on the basis of the identification number you provided to us. If you give us a payment order which identifies an intermediary or beneficiary's financial institution by both name and an identifying number, a receiving financial institution may rely on the number as the proper identification even if it identifies a different person than the named financial institution. This means that you will be responsible for any loss or expenses incurred by a receiving financial institution which executes or attempts to execute the payment order in reliance on the identifying number you provided.

We will not provide you with next day notice of receipt of ACH or wire transfers to your account. You will continue to receive notices of receipt of ACH and wire items in the periodic account statements which we provide. You may of course inquire between receipt of periodic statements whether or not a specific funds transfer has been received.

If we become obligated under Article 4A to pay interest to you, you agree that the rate of interest to be paid shall be equal to the dividend rate, on a daily basis, applicable to the account at The Bank to which the funds transfer should have been made or from which the funds transfer was made.

### WIRE AND ACH TRANSFER REQUESTS – SPECIAL TERMS:

**Authorized account:** An authorized account is a deposit account you have with us that you have designated as a source of payment of payment orders you issue to us. If you have not designated an authorized account, any account you have with us is an authorized account to the extent that payment of the payment order is not inconsistent with the use of the account.

**Acceptance of your payment order:** We are not obligated to accept any payment order that you give us, although we normally will accept your payment order if you have a withdrawable credit in an authorized account sufficient to cover the order. If we do not execute your payment order, but give you notice of our rejection of your payment order after the execution date or give you no notice, we are not liable to pay you as restitution any interest on a withdrawable credit in a non-interest-bearing account.

**Cutoff time:** If we do not receive your payment order or communication canceling a payment order before our cutoff time on a funds transfer day for that type of order or communication, the order or communication will be deemed to be received at the opening of our next funds transfer business day.

**Payment Processing and Settlement:** If we accept a payment order you give us, we may receive payment by automatically deducting from any authorized account the amount of the payment order plus the amount of any expenses and charges for our services in execution of your payment order. We are entitled to payment on the payment or execution date. Unless your payment order specifies otherwise, the payment or execution date is the funds transfer date we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and charges for our services. However, if you told us to route the funds transfer through an intermediate bank, and we are unable to obtain a refund because the intermediate bank that you designated has suspended payments, then you are still obligated to pay us for the payment order. You will not be entitled to interest on any refund you receive because the beneficiary's bank does not accept the payment order.

**Security procedure:** As described more fully in a separate writing which is incorporated herein by reference, the authenticity of a payment order or communication canceling or amending a payment order issued in your name as sender may be verified by a security procedure. You agree that we may verify the authenticity of payment orders using our security procedures in place at the time of any such order which may include signature verification, call back procedures, the use of identifying words or numbers and identification including but not limited to valid driver's license, passport or other acceptable photo identification document.

You affirm that you have no circumstances which are relevant to the determination of a commercially reasonable security procedure unless those circumstances are expressly contained in a separate writing signed by us. If you refuse a commercially reasonable security procedure that we have

offered you, you agree that you will be bound by any payment order issued in your name, whether or not authorized, that we accept in good faith and in compliance with the security procedure you have chosen. Furthermore, you acknowledge and agree that in the event we require additional information, but do not receive such information, we, at our discretion, may initiate or reject your Wire Transfer request. Under such circumstances, we shall not be liable to you for any actual loss or damages provided we acted in good faith.

**Reporting unauthorized or erroneous payments:** You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us is outlined as follows:

**Wire Transfer:** We will provide you with information that sets forth the date, amount and other details which pertains to your Wire Transfer request. The information will be provided to you on the Business Day your Wire Transfer request is processed using the information we have on file for you. You must notify us within one (1) Business Day from the date such information is provided to you of any discrepancy which pertains to your Wire Transfer request by calling the number set forth in the Rate and Fee Schedule. In the event you fail to notify us within the timeframe set forth herein, you acknowledge and agree that we shall be relieved of any liability in connection with the Wire Transfer request. You may access your Account details by way of our Online Banking Services. If you do not provide us with timely notice you will not be entitled to interest on any refundable amount. If we can prove that you failed to perform either of these duties with respect to an erroneous payment and that we incurred a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

**Name and Number Discrepancies:** In the event you initiate a Wire Transfer for which Fedwire is used, and you identify the beneficiary by name and account number, you acknowledge and agree that the beneficiary's financial institution may make payment based solely upon the account number. Thus, if the name and account number of the Wire Transfer you initiate do not match, the beneficiary's financial institution may accept the Wire Transfer based solely on the account number unless the beneficiary's financial institution has knowledge of the discrepancy. In any event, you acknowledge and agree that the beneficiary's bank is not required to determine whether the name and account number refer to the same beneficiary.

Similarly, without limiting the foregoing, in the event you initiate a Wire Transfer for which Fedwire is used, and you identify an intermediary or a beneficiary financial institution by name and identifying number, you acknowledge and agree that we and every intermediary or beneficiary financial institution may make payment based solely upon the identifying number. Thus, in the event the name and identifying number of the Wire Transfer you initiate do not match, we and every intermediary or beneficiary financial institution may rely solely on the identifying number even in the event the identifying number identifies a financial institution other than the one named.

**Record of Oral or Telephone Orders:** You agree that we may, if we choose, record any oral or telephone payment order or communication of amendment or cancellation. Notice of credit - If we receive a payment order to credit an account you have with us, we are not required to provide you with any notice of the payment order or the credit.

**Refund of Credit:** You agree that if we do not receive payment of an amount credited to your account, we are entitled to a refund from you in the amount credited and the party originating such payment will not be considered to have paid the amount so credited.

**Amendment of Funds Transfer Agreement:** From time to time we may amend any term of this Agreement by giving you reasonable notice in writing. We may give notice to anyone who is authorized to send payment orders to us in your name, or to anyone who is authorized to accept service.

**Cancellation or Amendment of Payment Order:** You acknowledge and agree that you may not amend or cancel a Wire Transfer request after we have received it. In the event you request for us to amend or cancel a Wire Transfer that has been received by us, we may, at our discretion, make a reasonable effort to act upon your request. Under such circumstances, you acknowledge and agree that we are not liable to you in the event the Wire Transfer cannot be amended or canceled, for any reason. Furthermore, you acknowledge and agree to indemnify and reimburse us for any losses we incur which may result from your request to amend or cancel a Wire Transfer.

**Affirming Our Right to Accept or Reject a Wire Transfer:** You acknowledge and agree that we may, at our discretion, confirm the authenticity of your Wire Transfers by requiring additional information, but we are under no obligation to do so. Furthermore, you acknowledge and agree that in the event we require additional information, but do not receive such information, we, at our discretion, may initiate, post or reject your Wire Transfers. Under such circumstances, we shall not be liable to you for any actual loss or damages provided we acted upon in good faith.

**Intermediaries:** You acknowledge and agree that we may select any intermediary financial institution, system or means of transmittal to send a Wire Transfer. Furthermore, you acknowledge and agree that our selection may differ from that indicated in your payment instructions.

**Limit on Liability:** In addition to any limitation otherwise set forth herein or limitations applicable under governing laws, you waive any claim you may have against us for consequential or special damages, including loss of profit arising out of a payment order or funds transfer, unless this waiver is prohibited by law. We are not responsible for attorney fees you might incur due to erroneous execution of payment order.

**Erroneous Execution:** If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

**Automated Clearing House Items:** An example of NACHA's Consumer protections can best be characterized by the return timeframe allowed a Consumer in the event of an unauthorized transaction versus the same event for a Non-Consumer. For example, if a Consumer discovers an unauthorized ACH Entry(s), the Consumer has up to 60 calendar days from the Settlement Date of the respective ACH Entry(s) to return it as unauthorized. In contrast, a Business Account is limited to the next Business Day from the Settlement Date to return an unauthorized ACH Entry. Thus, when you are the owner of a Business Account, you must practice ordinary care with managing your Account activity on a daily basis. You may access your Account details by way of our Online Banking Services and/or Telephone Banking Service.

Credit given by us to you with respect to an ACH Credit Entry is provisional until we receive final settlement from the Federal Reserve Bank (UCC, Article 4A). In the event we do not receive final settlement, you acknowledge and agree that we are entitled to debit your Account in the amount of the ACH Credit Entry, and the Originator that initiated the ACH Credit Entry shall be deemed not to have made payment to you.

You acknowledge and agree that we may rely on the representations and warranties contained in the NACHA Operating Rules and may credit your Account in accordance to these Rules as instructed by the Originator of the ACH Credit Entry. Furthermore, we may accept an ACH Credit Entry on your



behalf which is not subject to Regulation E and your rights and responsibilities with respect to such ACH Credit Entry shall be construed in accordance with the NACHA Operating Rules and the laws of the governing State as otherwise set forth in this Agreement.

Without limiting the foregoing, you acknowledge and agree that we are not required to provide you with next day notice of an ACH Credit Entry we accept on your behalf. However, we shall continue to notify you of such receipt as reflected on your Periodic Statement we provide to you. You may access your Account details by way of our Online Banking Services and/or Telephone Banking Service.

You acknowledge and agree that we may rely on the representations and warranties contained in the NACHA Operating Rules and may debit your Account in accordance to these Rules as instructed by the Originator of the ACH Debit Entry. Furthermore, your rights and responsibilities with respect to such ACH Debit Entry shall be construed in accordance with the NACHA Operating Rules and the laws of the governing State as otherwise set forth in this Agreement.

Without limiting the foregoing, you acknowledge and agree that upon receipt of an ACH Debit Entry, you have until the next Business Day to determine if such ACH Debit Entry is authentic. In the event you do not recognize an ACH Debit Entry (or ACH Credit Entry), notify us AT ONCE of the relevant facts by calling the number set forth in the Fee Schedule . You may access your Account details by way of our Online Banking Services.

In the event you determine that the ACH Debit Entry is unauthorized, we will ask you to provide us with a written statement of unauthorized debit and will return the ACH Debit Entry accordingly. You acknowledge and agree that we must receive your request to return such ACH Debit Entry by the deadline set forth in the Rate and Fee Schedule. The Settlement Date is the date on which the ACH Debit Entry posted to your Account. Notwithstanding, you acknowledge and agree that you lose your right to return under the NACHA Operating Rules in the event you fail to notify us of your intent to return an unauthorized ACH Debit Entry by the deadline set forth in the Rate and Fee Schedule. Under such circumstances, we may act on your behalf to request a "permissible return" from the financial institution that sent the ACH Debit Entry, but such institution is not required to comply with our request. You agree to hold us harmless from any loss you incur as a result of the unauthorized ACH Debit Entry that is not returned by the next Business Day and deadline set forth herein and in accordance to the NACHA Operating Rules. **The Credit Union has no liability to you whatsoever for any transaction using a debit card: (1) we have not issued; or (2) is issued by another party with whom we have no written agreement.**

**Returning Unauthorized ACH Entries:** Although all ACH Entries (both credit and debit) may be returned in accordance to the NACHA Operating Rules, those ACH Entries that are unauthorized may warrant the most concern. In the event you receive an ACH Entry that is unauthorized, you acknowledge and agree that you have until the next Business Day from the Settlement Date to return it. The Settlement Date is the date on which the ACH Entry posts to your Account.

In the event you discover (or reasonably should have discovered) any unauthorized ACH activity on your Account, notify us AT ONCE by calling the number set forth in the Rate and Fee Schedule. If it is determined that the ACH Entry is unauthorized, we will ask you to provide us with a written statement of unauthorized debit and will return the ACH Entry accordingly. You must notify us of your intent to return an unauthorized ACH Entry by the next Business Day from the Settlement Date by deadline set forth in the Rate and Fee Schedule. You acknowledge and agree to hold us harmless from any loss you incur as a result of the unauthorized ACH Entry that is not returned within the timeframe set forth herein and in accordance to the NACHA Operating Rules. Without limiting the foregoing, you acknowledge and agree to hold us harmless in the event it is later determined that the ACH Entry was authorized; thus, the Originator of such ACH Entry plans to seek retribution.

We strongly recommend that you review your Account often and consider carefully those to who you provide your Account information to help minimize fraudulent activity on your Account. You may access your Account details by way of our Online Banking Services and/or Telephone Banking Service.

#### ATM SECURITY GUIDELINES (Rev 7/17)

ATMs are a fast and easy way to withdraw cash, check account balances, transfer funds and more. If ATMs are to continue as a convenient way to conduct financial transactions, you must make electronic banking security a priority. Here are some important steps you can take to make ATM security your business. The following disclosures are applicable to ATM transactions made with either an ATM card or a Debit card.

##### KEEP YOUR CARD SECURE

- Treat your Card like cash. Always keep your Card in a safe place.
- Keep your "personal identification number (PIN)" a secret. Your Card will only work with your personal identification number (PIN). Memorize your PIN. Never write it on your Card or store it with the Card. Never tell your PIN to anyone. Never let someone else enter your PIN.
- Take your ATM receipt with you. Do not leave it at or near the ATM.
- Do not give out any information about your Card over the telephone. No one needs to know your PIN. Not even the credit union.
- Report a lost or stolen Card at once. You will be issued another Card promptly.
- Check your receipts against your monthly statement to guard against ATM /Debit fraud. You can get a receipt every time you make an ATM transaction. Verify each transaction by checking the receipts against your monthly account statements
- Be sure to sign your new card upon receipt. Destroy old cards when they expire.

##### SECURITY AT WALK-UP ATMS

- Always observe your surroundings before conducting an ATM transaction. If you are driving to an ATM, park as close as possible to the terminal. Observe the entire area from the safety of your car before getting out. If you see anyone or anything that appears to be suspicious, leave the area at once.
- If an ATM is obstructed from view or poorly lit, go to another ATM. Report the problem to the financial institution that operates the ATM.
- When possible, take a companion along when using an ATM, especially at night.
- Minimize time spent at the ATM by having your Card out and ready to use. If the ATM is in use, give the person using the terminal the same privacy you expect. Allow them to move away from the ATM before you approach the terminal.
- Stand between the ATM and anyone waiting to use the terminal so that others cannot see your PIN or transaction amount. Once you have completed your transaction, take your money, Card and receipt and immediately move away from the terminal.
- If you see anyone or anything suspicious while conducting a transaction, cancel your transaction and leave immediately.
- If anyone follows you after making an ATM transaction, go immediately to a crowded, well-lighted area and call the police.

##### SECURITY AT DRIVE-UP ATMS

- Keep your engine running, the doors locked and the windows up at all times when waiting in line at a drive-up ATM.
- When possible, leave enough room between cars to allow for a quick exit should it become necessary.
- If an ATM is obstructed from view or poorly lit, go to another ATM. Report the problem to the financial institution that operates the ATM.
- Before rolling down the window to use the ATM, observe the entire area around the ATM. If you see anyone or anything that appears to be suspicious, drive away from the area at once.

- Minimize time spent at the ATM by having your Card out and ready to use. Once you have completed your transaction, take your money, Card and receipt and drive away from the terminal.
- If you see anyone or anything suspicious while conducting a transaction, cancel your transaction and leave immediately.
- If anyone follows you after making an ATM transaction go immediately to a crowded, well-lighted area and call the police.

**OUR FUNDS AVAILABILITY POLICY (Rev 1/17)**

**YOUR ABILITY TO WITHDRAW FUNDS**

Our policy is to make funds from your cash and check deposits available to you on the same business day we receive your deposit. Cash deposited in person with an employee or at an ATM, electronic direct deposits, and wire transfers will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit 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 on a day we are not open, we will consider that the deposit was made on the next business day we are open.

**LONGER DELAYS MAY APPLY**

In some cases, we will not make all of the funds that you deposit by check available to you by the second business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the seventh business day after the day of your deposit. The first \$200 of your deposits, however, may be available on the same business day we receive the deposit.

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

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

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

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 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 computer or communications equipment.

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

**SPECIAL RULES FOR NEW ACCOUNTS**

If you are a new customer, the following special rules will apply during the first 30 days your account is open. Funds from cash deposited in person with an employee or at an ATM, electronic direct deposits, and wire transfers to your account will be available on the day we receive the deposit. Funds from deposits of the first \$5,000 of a day's total deposits of cashier's, certified, teller's, travelers, and federal, state and local government checks will be available on the next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

**DETERMINING THE AVAILABILITY OF A DEPOSIT**

For determining the availability of all your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit with an employee on a business day that we are open, we will consider that day to be the day of your deposit. If you make a deposit in our night depository after 8:30 a.m., or if you make a deposit on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If you make a deposit via mobile deposit or at one of our Texans automated teller machines (ATMs) after 5:00 p.m., or on a non-business day, we will consider that the deposit was made on the next business day we are open. All cash deposits made at Texans ATMs will be available on the same day you deposit them in the ATM. All check deposits made via mobile deposit and/or at Texans ATMs will be aggregated each day. The first \$200 of checks will be available on the same day you deposit them in the ATM. The remaining funds will be available on the second business day following the first business day of the deposit, including deposits of other items in excess of \$200 normally subject to immediate availability.

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.

**DIVIDEND AND INTEREST PAYMENT POLICY**

If we receive a deposit to your Account, dividends will begin to accrue on the business day the deposit is credited to your Account.