



SECURITY FIRST FEDERAL CREDIT UNION
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BUSINESS MEMBERSHIP AND ACCOUNT AGREEMENT

This Business Membership and Account Agreement ("Agreement") covers the rights and responsibilities concerning accounts held by a business or organization account owner ("Account Owner") and Security First Federal Credit Union ("Credit Union"). In this Agreement, the words "you," "your" and "yours" mean the Account Owner as well as each person signing a Business Account Card or other account opening document ("Account Card") or for which membership and/or service requests are otherwise approved. The words "we," "us," and "our" mean the Credit Union. The word "account" means any one or more share or deposit accounts you have with the Credit Union.

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

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

1. CONTRACT - Your account with the Credit Union is held individually in the name of the Account Owner. By signing an Account Card or authenticating your request, or by adding, changing or continuing to use your accounts and services, you agree to the terms and conditions in this Agreement, the Account Card, any Funds Availability Policy Disclosure, rate sheet, fee schedule, Account Receipt or other disclosure we provide to you, the Credit Union Bylaws or Code of Regulations (Bylaws), Credit Union policies, and any amendments, including additions, deletions or other changes, we make to these documents from time to time, all of which collectively govern your membership, accounts and services. You also agree that your accounts and services are governed by applicable present and future federal and state laws, local banking customs and clearinghouse rules.

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

This Business Membership and Account Agreement contains an Arbitration Provision. You have the right to reject this Arbitration Provision (see below). Except for certain types of disputes described below, if you or we elect to arbitrate a dispute, the dispute will be resolved by binding, individual arbitration, not in court, and you waive your right to participate in a class action lawsuit or class-wide arbitration. Your rights will be determined by a NEUTRAL ARBITRATOR and NOT a judge or jury. You will be entitled to a FAIR HEARING, BUT the arbitration procedures are SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT. Discovery and rights to appeals in arbitration are more limited than in court, and other rights that you and we would have in court may not be available in arbitration.

3. ACCOUNT ACCESS

a. Authorized Persons. The following are deemed Authorized Persons who may establish accounts at the Credit Union and act on behalf of the Account Owner with respect to such accounts:

- If the Account Owner is a sole proprietorship, the business owner and any person designated by the business owner;
- If the Account Owner is a partnership, each partner (or, for a limited partnership, the general partner or those partners as otherwise established by the partnership agreement) and any person designated by the partners; or
- If the Account Owner has any other form of organization or is an unincorporated organization or association, the individuals vested with the power to make decisions concerning the operation of the Account Owner must designate the persons authorized to establish accounts at the Credit Union and transact business on such accounts on behalf of the Account Owner.

b. Authority. Authorized Persons are vested with authority to open and close accounts on behalf of the Account Owner and transact business of any nature on such accounts, including but not limited to the following:

- Depositing, withdrawing and transferring funds into, out of and between one or more accounts;
- Signing checks, drafts and other orders for payment or withdrawal;
- Issuing instructions regarding orders for payment or withdrawal;
- Endorsing any check, draft, certificate, share certificate and any other instrument or order for payment owned or held by the Account Owner; and
- Receiving information of any nature about the account.

We have no obligation to inquire as to the use of any funds or the purpose of any transaction made on your account by an Authorized Person and are not responsible for any transaction by an Authorized Person.

We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. It is your responsibility to provide us with specimen signatures of all Authorized Persons and to inform us immediately in writing of any changes. If you have authorized the use of a facsimile signature of any Authorized Person, we may honor any document that appears to bear the facsimile signature.

c. Access Options. You may access your account in any manner we permit including, for example, in person at one of our branch offices, at an ATM or point-of-sale device, or by mail, telephone, automatic transfer, internet access, or mobile application. Authorized Persons may execute additional agreements and documents we require to access, transact business on and otherwise exercise authority over your account. We may return as unpaid any check or draft drawn on a form we do not provide. Any losses, expenses or fees we incur as a result of handling such a check or draft will be charged to your account.

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

4. DEPOSIT OF FUNDS REQUIREMENTS - Funds may be deposited to your accounts in any manner approved by the Credit Union and in accordance with any requirements set forth on our share rate sheet and schedule of fees and charges. We have the right to refuse any deposit, limit the amount that may be offered for deposit, and return all or any part of a deposit. Deposits made by mail, at night depositories or other unstaffed facilities are not our responsibility until we receive them.

a. Endorsements. We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to or to the order of the Account Owner, even if they are not endorsed. If an insurance, government, or other check or draft requires an endorsement, we may require that it be endorsed as set forth on the item. We may but are not required to accept, whether for cash or other value, checks, drafts, or items made payable to the Account Owner, provided such items are endorsed with an original or facsimile signature of an Authorized Person. Endorsements must be made on the back of the check or draft within 1½ inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur due to a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. If we offer a remote deposit capture service and you have been approved to use the service to make deposits to your account, you agree that, prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with any other agreement with us that governs this service. **For accounts held at credit unions located in New York:** If a check, draft, or item that is payable to two (2) or more persons is ambiguous as to whether it is payable to either or both, we will process the check, draft, or item as though it is payable to all such persons. **For accounts held at credit unions located in states other than New York:** If a check, draft or other item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person.

b. Collection of Items. We act only as your agent, and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the loss of an item in transit or the negligence of any correspondent. Each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.

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

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

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

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

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

a. Authorization for Transfers/Debiting of Accounts. Any Authorized Person is authorized to make or order funds transfers to or from your account. We will debit your account for the amount of a funds transfer and will charge your account for any fees related to the transfer.

b. Right to Refuse to Make Transfers/Limitation of Liability. Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control, including mechanical, electronic or equipment failure. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with funds transfers to or from your account.

c. No Notice Required. We will not provide you with notice when funds transfers are credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received.

d. Interest Payments. If we fail to properly execute a payment order and such action results in a delay in payment to you, applicable law requires that we pay you interest for the period of delay. Based on your account type, we will pay you such interest in the form of dividend or interest payments, whichever applies. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.

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

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

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

h. Amendments and Cancellations of Payment Orders. Any Authorized Person may amend or cancel a payment order regardless of whether that person initiated the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.

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

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

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

6. ACCOUNT RATES AND FEES - We pay account earnings and assess fees against your account as set forth in our share rate sheet and schedule of fees and charges. We may change our share rate sheet and schedule of fees and charges at any time and will notify you as required by law.

7. TRANSACTION LIMITATIONS - We reserve the right to restrict withdrawals or transfers from your account and shall not be liable for any restrictive action we take regarding withdrawals, transfers, or the payment or non-payment of checks and drafts, except those damages which may arise solely as a result of the Credit Union's negligence.

a. Withdrawal Restrictions. We permit withdrawals if your account has a sufficient available balance to cover the full amount of the withdrawal, and may otherwise honor withdrawal requests in accordance with our overdraft policies or any overdraft protection service you have established with us. Checks and drafts or other transfers or payment orders which are drawn against insufficient available funds may be subject to a fee as set forth in our schedule of fees and charges. If there are sufficient available funds to cover some, but not all, of your withdrawal request, we may otherwise allow you to make a withdrawal in an amount for which there are sufficient available funds.

We may limit or refuse a withdrawal in some situations, and will advise you accordingly if, for example: (1) there is a dispute between Authorized Persons (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a Credit Union loan on time; (6) for non-corporate accounts, a depositor is deceased; or, for corporate accounts, the corporation is in bankruptcy proceedings or has been dissolved and the required disposition of the account has not been made; (7) someone with authority to do so requests us not to permit the withdrawal; or (8) there are other circumstances which do not permit us to make the withdrawal. We also reserve the right to refuse any withdrawal which is attempted by any method not specifically permitted by us. We may require you to give written notice of 7 to 60 days before any intended withdrawals.

8. CERTIFICATE ACCOUNTS - Any term share, share certificate, time deposit or certificate of deposit account, whichever we offer as allowed by applicable federal or state law, is subject to the terms of this Agreement, our share rate sheet and schedule of fees and charges, Account Receipt(s), if provided, and any other documents we provide for the account, the terms of which are incorporated herein by reference.

9. OVERDRAFTS AND DISHONORED ITEMS

a. Insufficient Funds/Overdrafts. If, on any day, the available balance in your account is not sufficient to pay the full amount of a check, draft, transaction or other item that is presented for payment from the account, we may return the item or pay it in accordance with our overdraft policies or any overdraft service you have established with us. We are not required to pay any item that exceeds the available balance in your account. Items drawn on your account may be paid in any order we choose. The available balance for your account is determined according to our funds availability policy and may reflect pending transactions you have authorized but have not yet posted to your account. We may determine whether the available balance in your account is sufficient to pay an item at any time between presentation of the item and our midnight deadline, with only one review of the account required. We are not required to notify you if your account does not have sufficient available funds to pay the item. Your account may be subject to a fee as disclosed in our schedule of fees and charges for each item presented against an insufficient available balance, regardless of whether we return or pay the item.

If you have established an overdraft service with us that links your share or deposit account with other Credit Union accounts of yours, you authorize us to transfer funds from those accounts to cover the amount of any items that exceed the available balance in your account as well as the amount of any fee assessed for the transfer. Such transfers may be made from another share or deposit account, an overdraft line-of-credit account, or other account you so designate. If we, at our discretion and as a courtesy to you, honor items that exceed the available balance in your account, the account will be overdrawn and you agree to repay the overdrawn amount, plus any fee assessed by us, in accordance with the requirements established in any other agreement with us that governs this overdraft

protection service. By exercising our discretionary right to honor such items, we do not agree to honor them in the future.

b. Dishonored Items. We may redeposit an item taken for deposit, cash or other value, or we may return the item to you and charge your account. If your account does not contain a sufficient available balance to reimburse us for the amount of the item, you must repay us for the amount we are unable to collect from your account. If we choose to redeposit an item, we are not required to notify you that the item was returned unpaid. We may charge your account and/or seek recovery directly from you for any item that is returned due to your breach of warranty under the Uniform Commercial Code as adopted in the state where our main office is located.

d. Understanding Your Account Balance. Your checking account has two kinds of balances: the actual balance and the available balance. Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Your periodic statement reflects your actual balance. Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Because holds and pending transactions reduce your available balance, they may cause you to overdraw your account and incur overdraft fees. Since your periodic statement reflects your actual balance, it may not include information about holds and pending transactions. However, overdraft fees you incur as a result of holds and pending transactions will be reflected on your periodic statement because fees do impact your actual balance.

The following example illustrates the differences between these two balances. Assume your actual balance is \$50 and your available balance is also \$50. You then go to the gas station, and you use your debit card to buy gas for \$20. When that happens, the gas station (i.e., the merchant) requests us to guarantee or authorize the payment. In that case, we will reduce your available balance by the amount of the authorization hold, which is \$20. Your actual balance would still be \$50 because this transaction has not yet posted to your account (i.e., the transaction has not been completed), but your available balance would be \$30 because you have a commitment to pay the merchant \$20. When the merchant submits its request for payment (which could be several days later), your actual balance will be reduced by the amount of the posted transaction (in this example, \$20). At that time, both your actual and available balance are \$30 assuming no other transactions have posted to your account.

You may check your actual and available balances online at www.securityfirstcu.com, at an ATM, by visiting a credit union branch or by calling us at 956-661-4000.

10. CHECKS OR DRAFTS PRESENTED FOR PAYMENT IN PERSON - We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft, and we shall have no liability for refusing payment. If we agree to cash a check or draft that is presented for payment in person, we may require the presenter to pay a fee. Any applicable fees for cashing checks or drafts are stated in our schedule of fees and charges.

11. POSTDATED AND STALEDATED CHECKS OR DRAFTS - You agree not to draw or issue any check or draft that is postdated. If you draw or issue a check or draft that is payable on a future date, we will have no liability if we pay the check or draft before its payment date. You agree not to deposit checks, drafts, or other items before they are properly payable. We are under no obligation to pay a check or draft drawn on your account that is presented more than six months after the date it was written; however, if the check or draft is paid against your account, we will have no liability for such payment.

12. FOREIGN CURRENCY - All checks or drafts drawn on your account shall be payable in currency of the United States. You agree not to draw a check or draft that is payable in any foreign currency. If you give us an order to pay a check or draft in a foreign currency, we have the right to return the check or draft unpaid. However, if we pay the check or draft, we will not be responsible for the currency conversion or any fees assessed for collection, and you will be bound by our determination of the currency conversion rate, the data used and the manner in which we make the conversion.

13. STOP PAYMENT ORDERS

a. Stop Payment Order Request. Any Authorized Person may request a stop payment order on a check or draft drawn on your account. To be binding, the order must accurately describe the check or draft, including the exact account number, check or draft number, and amount of the check or draft. This exact information is necessary for the Credit Union to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee,

to transfer to us all of your rights against the payee or other holders of the check or draft, and to assist us in any legal action. Fees for stop payment orders are set forth on our schedule of fees and charges

b. Duration of Order. You may make an oral stop payment order which will lapse within 14 calendar days unless you confirm it in writing, or in a record if allowed by applicable law, within that time. A written stop payment order is effective for six months and may be renewed from time to time in writing, or in a record if allowed by applicable law. We do not have to notify you when a stop payment order expires. **For accounts held at credit unions located in the states of Florida and Texas:** We have the right to refuse to accept oral stop payment orders and may require that all stop payment orders be made in writing or in a record as allowed by applicable law.

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

d. Items Subject to Other Rules. For cashier's checks, teller's checks, or certified checks that have been lost, destroyed, or stolen, refer to provisions elsewhere in this Agreement which describe the claims process for recovering the amount of such a check. **For accounts held at credit unions located in the state of New York:** For cashier's checks, teller's checks, or certified checks, refer to provisions elsewhere in this Agreement which describe the process for requesting stop payments on such checks in prescribed circumstances.

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

15. CREDIT UNION LIABILITY - If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law or elsewhere in this Agreement. We will not be liable if, for example: (1) your account contains an insufficient available balance for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We are not liable if checks, drafts or other items were forged or altered so that the forgery or alteration could not be reasonably detected. We will not be liable for consequential damages, except liability for wrongful dishonor. We are not responsible for a check or draft that is paid by us if we acted in a commercially reasonable manner and exercised ordinary care. We exercise ordinary care if our actions or nonactions are consistent with applicable state law, federal reserve regulations and operating letters, clearing house rules, and general banking practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

16. AGREEMENT TO ARBITRATE - This Arbitration Provision describes Disputes (as defined below) subject to arbitration. Arbitration is a method of resolving controversies or claims in front of a neutral person, instead of in court in front of a judge and/or jury. In this Arbitration Provision, "we" and "us" and "our" mean the Credit Union. Except as otherwise provided in this Arbitration Provision, either you or we may require any Dispute to be arbitrated and may do so before or after a lawsuit has been started or with respect to other Disputes or counterclaims brought later in the lawsuit. If you or we elect to arbitrate a Dispute, the Dispute shall be fully resolved by binding arbitration. Judgment on the arbitration award may be entered in any court with jurisdiction. The arbitrator's decision is final and binding, except for any right to appeal provided by the Federal Arbitration Act, 9 U.S.C. §§ 1 et. seq. ("FAA").

Your Right to Reject (within 30 days after the date the Arbitration Provision is given to you): If you do not want this Arbitration Provision to apply, you may reject it by mailing us at Security First Federal Credit Union, Attn.: P.O. Box 4829, McAllen, Texas 78502-4829 a written rejection notice telling us that you are rejecting this Arbitration Provision. A rejection notice is only effective if it is postmarked within 30 days of the date we give this Arbitration Provision to you. If you reject this Arbitration Provision, that will not affect any other provision of any contract or the status of any other contract, including any other arbitration provision to which you are subject and have not rejected. If you do not reject this Arbitration Provision, it will be effective as of the date that it is given to you.

Dispute Defined: A "Dispute" is any controversy or claim arising out of or in any way related to your account(s) (including but not limited to your share and checking accounts); your loan(s); the purchase, sale, delivery, set-up, quality of any goods financed by us or contacts assigned to us; advertising for any services or goods; or the products or services the Credit Union has provided, will provide, or has offered to provide to you; and/or any aspect of your relationship with the Credit Union. Dispute shall have the broadest meaning possible and includes any controversy or claims whether based in

contract, tort, statute, fraud, misrepresentation, or any other legal or equitable theory. Dispute also includes any controversy or claim related to the validity, enforceability, coverage, or scope of this agreement, except any controversy or claim relating to the scope or enforceability of the Class Action Waiver defined below (any controversy or claim relating to the scope or enforceability of the Class Action Waiver shall be determined by a court and not by an arbitrator). Further, Dispute includes any controversy or claim with Our employees, agents, vendors, successors or assigns, and present or future affiliates, and any Dispute against these parties may be joined or consolidated with any related Dispute against us in a single individual (*i.e.*, non-class) arbitration proceeding or single individual (*i.e.*, non-class) small claims action.

a. Class Action Waiver. You and we agree that: (1) neither you nor we may participate in a class action in court or in a class-wide arbitration, either as a plaintiff, defendant, or class member; (2) neither you nor we may act as a private attorney general in court or in arbitration; (3) disputes brought by or against you may not be joined or consolidated with disputes brought by or against any other person, except in the limited circumstance as provided in the above paragraph addressing the meaning of dispute under this Arbitration Provision; and (d) the arbitrator shall have no power or authority to conduct a class-wide arbitration, private attorney general arbitration, or joined or consolidated arbitration, except in the limited circumstance as provided in the above paragraph addressing the meaning of dispute under this Arbitration Provision.

Notwithstanding the foregoing, the following are exceptions to the ability to require arbitration under this Arbitration Provision: (a) the enforceability of the Class Action Waiver shall be determined by a court; (b) both You and We have the right to pursue a Dispute in a small claims court instead of arbitration, if the Dispute is in that court's jurisdiction, proceeds on an individual (*i.e.*, non-class) basis, and is not removed, transferred, or appealed from small claims court to any different court; (c) nothing in this Arbitration Provision shall be deemed to limit or constrain Your or Our right to resort to self-help remedies, such as the right to repossess a vehicle or the right of set-off; (d) this Arbitration Provision does not apply to any consumer credit transaction secured by a dwelling, including a mortgage or a home equity line of credit secured by Your principal dwelling; (e) nothing in this Arbitration Provision shall be deemed to limit or constrain our right to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies; and (f) the requirement to arbitrate will not apply to individuals defined as "Covered Borrowers" under the Military Lending Act.

b. Severability. If any portion of this Arbitration Provision other than the Class Action Waiver is held to be invalid or unenforceable, the remaining portion shall remain in force; if, however, the Class Action Waiver is held to be invalid or unenforceable, and that determination is not reversed on appeal, then this Arbitration Provision shall be void in its entirety. Notwithstanding the foregoing, if a court determines that the Class Action Waiver is unenforceable as to a particular request for relief, and that determination is not reversed on appeal, then the parties agree that particular request for relief may proceed in court but shall be severed and stayed pending arbitration of the remaining claims and requests for relief. The parties acknowledge and agree that under no circumstances will a class action or a request for the remedy of public injunctive relief be arbitrated.

c. Conduct of Arbitration Proceedings. Whoever elects arbitration may choose to arbitrate under the rules and procedures of either JAMS or the American Arbitration Association; however, in the event of a conflict between these rules and procedures and the provisions of this Arbitration Provision, you and we agree that this Arbitration Provision governs for that specific conflict. You may obtain the rules and procedures, information on fees and costs (including waiver of the fees), and other materials, and may file a claim by contacting the selected organization. The addresses and websites of the organizations are JAMS, 1920 Main Street, Suite 300, Irvine, CA 92614, www.jamsadr.com; and American Arbitration Association, 335 Madison Avenue, Floor 10, New York, NY 10017-4605, www.adr.org. If neither JAMS nor the American Arbitration Association is able or willing to serve, and you and we cannot otherwise agree on a substitute arbitrator, then a court with appropriate jurisdiction shall appoint an arbitrator. Regardless of who elects arbitration, we shall pay for any filing, administration, and arbitrator fees in accordance with the rules; provided, however, that if you initiate arbitration, you will pay the filing fee to the extent required by the rules of the arbitration forum but, in no event will you pay more than the cost of filing a lawsuit in state court. We will consider any good faith request you make to us to pay the arbitrator's filing fee if you cannot obtain a waiver of such fees from the arbitrator, and we will not seek or accept reimbursement of any such fees. Each party will bear the expense of their attorneys, experts, and witnesses. However, if you prevail in arbitration on a claim that, by law, requires an award of attorney fees and costs, the arbitrator will award you those fees and costs in accordance with such law. The arbitrator may decide that an in-person hearing is unnecessary and that he or she can resolve the Dispute based on the papers submitted by you or us and/or through a telephonic hearing. However, any arbitration hearing that You attend will take place at a location that is reasonably convenient to you or where permitted or required by applicable law. Notice of the time, date, and location shall be provided to You and Us under the rules and procedures of the arbitration organization selected.

In the event there is an agreement to arbitrate claims or disputes that conflicts with this Arbitration Provision, whether such agreement is executed before, at the same time, or after this Arbitration Provision, the terms of this Arbitration Provision shall control any and all Disputes between You and us.

d. Amendment. Notwithstanding anything to the contrary herein or in another agreement between you and us, this Arbitration Provision may be amended by us only upon 30-day notice to you. However, any such amended agreement shall not apply to any claim that has already been filed, has accrued, or of which We otherwise have knowledge.

e. Governing Law. You and we agree that this Arbitration Provision, our relationship, or any transaction between you and us involves interstate commerce. This Arbitration Provision shall be interpreted and enforced in accordance with the Federal Arbitration Act ("FAA") to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Dispute at issue. If a court finds the FAA does not apply and the finding cannot be appealed, then Your state's law governs. The arbitrator must follow, to the extent applicable: (1) the substantive law of the state in which you and we entered into the transaction giving rise to this agreement; (2) the applicable statutes of limitations; and (3) claims of privilege recognized at law. Except as otherwise provided in this Arbitration Provision, the arbitrator is authorized to award all individual (i.e., non-class) remedies permitted by the substantive law that would apply if the action were pending in court. The arbitrator will not be bound by federal, state or local rules of procedure and evidence or by state or local laws concerning arbitration proceedings conducted in court.

f. Survival. This Arbitration Provision will survive the termination of your membership, closure of any account, and/or payoff of any loan or credit account.

17. UNAUTHORIZED USE OF CHECK OR DRAFT WRITING AND FACSIMILE SIGNATURE EQUIPMENT - You are responsible for maintaining the security of all facsimile signatures, check or draft writing equipment and supplies. You must promptly notify us in writing of the loss or theft of any checks or drafts or the unauthorized use of facsimile signature equipment, as well as the circumstances surrounding the loss, theft or unauthorized use. We are not liable for any unauthorized use of a facsimile signature.

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

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

19. TRANSFER OF ACCOUNT - All accounts are nonassignable and nontransferable to third parties except by us.

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

21. ACCOUNT INFORMATION - Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure is made to comply with the law or an order issued by a court or government agency; (4) you give us written permission; or (5) as otherwise permitted by applicable law. We may provide information to credit bureaus about an insolvency, delinquency, late payment or default on your account to include in your credit report.

22. NOTICES

a. Name or Address Changes. You are responsible for promptly notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. If we attempt to locate you, we may impose a service fee as set forth on our schedule of fees and charges.

b. Notice of Amendments. Except as prohibited by applicable law, we may amend this Agreement by adding, removing, or changing terms at any time. We will notify you, in a manner we deem appropriate under the circumstances, of any changes in terms, rates, or fees as required by law.

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

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

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

24. STATEMENTS

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

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

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

If timely notice is given, we reserve the right to make a final reasonable determination regarding whether and in what amount any adjustment shall be made. If you fail to receive a periodic statement, you agree to notify us within 14 days of the time you regularly receive a statement.

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

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

26. TERMINATION OF ACCOUNT - We may terminate your account at any time without prior notice to you or may require you to close your account and apply for a new account. We are not responsible for payment of any check, draft, transfer or item after your account is terminated; however, if we pay a check, draft, transfer or other item after termination, you agree to reimburse us for the amount of our payment as well as any applicable fees.

You may terminate this Agreement by closing all of your accounts. If your account is a dividend or interest-bearing account, any deposit or part of a deposit that we have returned or attempted to return to you upon termination of your account will no longer bear dividends or interest, as applicable. When the account is closed, you will receive the balance remaining in the account after we have made all appropriate deductions and charges. The termination of this Agreement and the account does not release you from the obligation for payment of accrued fees or your liability for any checks or drafts in process.

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

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

29. UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL ACTIVITIES - You agree that you are not engaged in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful internet gambling or other illegal activities.

30. WAIVER OF RIGHTS - We reserve the right to waive or delay the enforcement of any provision of this Agreement with respect to any transaction or series of transactions. A waiver or delay of our rights at any time shall not be deemed to be a waiver of any other rights or a waiver of the same rights at a future time.

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

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

33. GOVERNING LAW - This Agreement is governed by the following, as amended from time to time: the Credit Union's bylaws; local clearing house and other payment system rules; federal laws and regulations, including applicable principles of contract law; and the laws and regulations of the state of Texas.

34. WAIVER OF TRIAL BY JURY AND AGREEMENT AS TO LOCATION OF LEGAL PROCEEDINGS - As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county of the Credit Union office where you opened your account. You and we agree to waive any right to trial by jury in any legal proceeding or lawsuit involving the account.

35. CERTIFIED BENEFICIAL OWNER INFORMATION - If you are obligated to certify beneficial owner information at the time your account is opened, you are responsible for notifying us of any changes to the certified beneficial owner information that was provided to us. Notice should be made to us as soon as practical upon a change to the beneficial owner information in a form and manner acceptable to us. If you have reported beneficial owner information to FinCEN, you specifically consent and authorize FinCEN to disclose your beneficial owner information to us for our use in accordance and for compliance with applicable law.

36. NEGATIVE INFORMATION NOTICE - We may report information about your loan, share, or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.

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

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