12611 Fuqua Street
Houston, TX 77034
Office: (713) 852-6700
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www.texasbaycu.org

MEMBERSHIP AGREEMENT (BINDING ARBITRATION OF CLAIMS AND DISPUTES)

This Agreement is the contract of deposit that covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement, the words "you" and "yours" mean those who sign the Membership Application. The words "we," "us," and "our" mean Texas Bay Credit Union ("Credit Union"). The word "account" means any one or more accounts you have with the Credit Union. The classification and form of ownership of your accounts are designated on your Membership Application.

By signing the Membership Application Card that is a part of the Agreement, or by establishing and using the account, each of you, jointly and severally, agrees to the terms and conditions in this Agreement, including the Member Account Agreement, Truth-in-Savings Account Disclosures, Schedule of Fees and Charges, Funds Availability Policy, Electronic Funds Transfer Agreement, Privacy Policy, any account receipt, the Credit Union's bylaws and policies, and any amendments which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement as amended from time to time.

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

Agreement to Arbitrate Disputes. Either You or We may elect, without the other's consent, to require that any and all disputes between Us arising out of, affecting, or relating in any way to Your Accounts or the products or services related to your Accounts or any aspect of Your relationship with Us be resolved through binding arbitration, except for those disputes specifically excluded below.

No Class Action or Joinder of Parties. YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless mutually agreed to by You and Us, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.

Disputes Covered by Arbitration. YOU ACKNOWLEDGE THAT IN ARBITRATION, THERE WILL BE NO RIGHT TO A JURY TRIAL. Any claim or dispute relating to or arising out of Your Accounts or the services related to your Accounts or our relationship will be subject to arbitration, regardless of whether that dispute or the facts underlying or giving rise to that dispute arose before or after your receipt of this notice. Disputes include claims made as part of a class action, private attorney general, or other representative action, it being expressly understood and agreed to that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis, and the arbitrator may award relief only on an individual (non-class, non-representative) basis. Disputes also include claims relating to this arbitration provision's enforceability, validity, scope, or interpretation. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced.

All disputes are subject to arbitration, no matter what legal theory they are based on or what remedy (damages, or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any services relating to Your Accounts. Disputes include not only claims made directly by You, but also made by anyone connected with You or claiming through You, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to the Credit Union, but also its parent, affiliates, successors, assignees, employees, and agents, and claims for which We may be directly or indirectly liable, even if We are not correctly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable grounds and include claims asserted as counterclaims, cross-claims, third-party claims, interpleaders, or otherwise; and claims made independently or with other claims. If a party initiates a proceeding in court regarding a claim or dispute that is included under this arbitration provision, the other party may elect to proceed in arbitration pursuant to this arbitration provision.

Disputes Excluded from Arbitration. Disputes filed by You or by Us individually in a small claims court are not subject to arbitration so long as the disputes remain in such court and advance only an individual (non-class, non-representative) claim for relief. However, if a matter in small claims court is removed, transferred, or appealed to a non-small claims court, that claim shall be subject to this arbitration provision. Loan default and other indebtedness claims and defenses or counterclaims raised in such actions are also explicitly excluded from this particular Arbitration Agreement but shall remain subject to any other applicable arbitration provision contained in any other agreement governing or applicable to such loan or indebtedness.

Procedures Prior to Filing a Claim in Arbitration. Prior to either party filing a claim in arbitration and as a condition precedent to doing so, a party shall first make a written demand upon the other party setting forth their claim. The parties shall then attempt to resolve the dispute in good faith for a minimum of 60 days before any claim may be filed in arbitration. During this period, both parties agree to toll any applicable statute of limitations.

Commencing an Arbitration. The arbitration must be either conducted by a neutral arbitrator selected by agreement of the parties or filed with the following neutral arbitration forum and follow its rules and procedures for initiating and pursuing an arbitration:

JAMS
1-800-352-5267 (toll-free)
www.jamsadr.com

If We initiate the arbitration, We will notify You in writing at Your last known address on file. You may obtain a copy of the arbitration rules and additional information about initiating an arbitration by contacting JAMS.

If You initiate the arbitration, You must notify Us in writing at:

Texas Bay Credit Union
ATTN: Compliance Department
12611 Fuqua St.
Houston, TX 77034

The arbitration shall be conducted in the same city as the U.S. District Court closest to Your home address unless the parties agree to a different location in writing.

If JAMS is unable to or unwilling to handle the claim for any reason, then the matter shall be arbitrated by a neutral arbitrator selected by agreement of the parties (or, if the parties cannot agree, selected by a court in accordance with the Federal Arbitration Act). The neutral arbitrator selected by the parties or the court shall apply the Federal Rules of Evidence and the Federal Rules of Procedure concerning discovery, except that the below class action waiver is specifically enforceable notwithstanding any Federal Rules of Procedure to the contrary.

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Administration of Arbitration. The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten years' experience or a retired or former judge selected in accordance with the rules of the arbitration forum. The arbitration will be conducted in accordance with the JAMS Comprehensive Arbitration Rules & Procedures in effect on the date the arbitration is filed or such other rules as to which the parties may agree. If there is a conflict between a particular provision of the JAMS Rules and this arbitration provision and/or this agreement, this arbitration provision and this agreement will control.

You understand and agree that the applicable rules and procedures in arbitration may limit the discovery available to You or Us. The arbitrator must take reasonable steps to protect customer account information and other confidential information if requested to do so by You or by Us. The arbitrator shall decide the dispute in accordance with applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege recognized at law, and will be empowered to award any damages or other relief provided for under applicable law. The arbitrator will not have the power to award relief to, or against, any person who is not a party to the arbitration other than, as allowed by law, a joint accountholder or any entity in privity with either party as to the claim at issue. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the claims in arbitration, and shall not have any bearing on the rights and obligations of any other person other than those identified in the foregoing sentence, or on the resolution of any other dispute. You or We may choose to have a hearing and be represented by counsel. The decision rendered by the arbitrator shall be in writing. At Your or Our request, the arbitrator shall issue a written, reasoned decision following applicable law, and relief granted must be relief that could be granted by a court under applicable law. Judgment on the arbitration award may be entered by any court of competent jurisdiction.

Costs. The party initiating the arbitration shall pay the initial filing fee. If You file the arbitration and an award is rendered in Your favor, We will reimburse You for Your filing fee. If there is a hearing, We will pay the fees and costs of the arbitration for the first day of that hearing. All other fees and costs will be allocated in accordance with the rules of the arbitration forum. However, We will advance or reimburse filing and other administrative fees if the arbitrator rules that You cannot afford to pay them or finds other good cause for requiring Us to do so, or if You ask Us in writing and We determine there is good reason for doing so. Each party shall bear the expense of their respective attorneys, experts, witnesses, and other expenses, regardless of who prevails, but a party may recover any or all costs and expenses from another party if the arbitrator, applying applicable law, so determines.

Right to Resort to Provisional Remedies Preserved. Nothing herein shall be deemed to limit or constrain Our right to resort to self-help remedies, such as the right of set-off or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien We may hold in property, or to comply with legal process, or 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.

Arbitration Award. The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum within fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. The appeal must request a new arbitration before a panel of three neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same manner as allocated before a single arbitrator. An award by a panel is final and binding on the parties after fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act or other applicable law. A party may seek to have a final and binding award entered as a judgment in any court having jurisdiction.

Governing Law. You and We agree that our relationship includes transactions involving interstate commerce and that this arbitration provision is governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws of the State of Texas shall apply.

Severability, Survival. This arbitration provision shall survive (a) termination or changes to Your accounts or any related services; (b) the bankruptcy of any party; and (c) the transfer or assignment of your Accounts or any related services. No portion of this arbitration provision may be amended, severed, or waived absent a written agreement between You and Us. If the Class Action Waiver in this specific Arbitration Agreement is found to be unenforceable for any reason, then the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions shall remain fully enforceable.

Right to Reject this Arbitration Provision. You have the right to opt-out of this agreement to arbitrate if You opt out within 30 days after You have opened or joined your first Account with Us, either as a member or as a joint accountholder. However, if We sent or offered You this or any version of an agreement to arbitrate with a notice for the first time after your first Account was opened, You must opt out within 30 days after We sent our notice and the agreement. To opt-out, send Us written notice as follows: (i) your written notice must include your name, as listed on your account, your account number, and a statement that You reject this agreement to arbitrate, and, (ii) You must send your written notice to Us at the following address: Texas Bay Credit Union, ATTN: Compliance Department, 12611 Fuqua St., Houston, TX 77034 or glfs@tbacu.org.

Class Action Waiver. No member or accountholder may maintain or purse against the Credit Union a class action, class-wide arbitration, or private attorney general action. Nor shall any class action, class-wide arbitration, or private attorney general action be pursued by a member against the Credit Union in any arbitration or in any court proceeding, regardless of when the claim or cause of action arose or accrued, or when the allegations or facts underlying the claim or cause of action occurred.

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MEMBERSHIP AND ACCOUNTS

Membership Eligibility. To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union's field of membership, must have a valid Social Security Number (SSN) or Tax Identification Number (TIN), and must purchase and maintain at least one share as required by Credit Union Bylaws. You authorize us to check your account, credit, and employment history and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request. In addition to obtaining your credit report information for purposes of the current account/loan application, you also expressly authorize us to use your credit report for the purpose of determining your eligibility for other loan products and services and communicating such eligibility to you.

Individual Accounts. An individual account is an account owned by one depositor, including any individual, corporation, partnership, trust, or other organization qualified for Credit Union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the decedent's estate or payable on death (POD) beneficiary, if applicable and subject to provisions of the Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death and to any security interest or pledge granted by the account owner, and subject to our statutory lien rights.

Joint Accounts. A joint account is an account owned by two (2) or more persons. Each owner has a present right to payment from the account. Each owner owns his or her net contribution to the account. Absent proof of net contribution or a specific agreement to the contrary, each party will own an equal share of the account.

Rights of Survivorship. If your account is a joint account, you can elect to a joint account with rights of survivorship or without rights of survivorship. With rights of survivorship, upon the death of one of the joint account owners, that person's interest will become the property of the surviving joint account owners. Without rights of survivorship, upon the death of one of the joint account owners, that person's interest will become the property of the designated P.O.D if one has been made. A surviving owner's interest is subject to our statutory lien for the deceased owner's obligations and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

Rights of Joint Account Owners. Any joint account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and requests for future services from any other account owner. Each account owner guarantees the signature or authenticated request of the other owners. **Any account owner may withdraw all available funds in the account, stop payment on items drawn on an account, withdraw, or pledge all or any part of the funds of any account, including funds representing a membership share, without the consent of the other account owner(s**) and the Credit Union shall have no duty to notify any other joint account owner(s). We reserve the right to require written consent of all owners for any change to or termination of an account. If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a court order to act, or require that all joint account owners agree in writing to any transaction concerning the account.

Joint Account Owner Liability. If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount, and any charges and transaction, regardless of who created the overdraft, deposited or cashed the item, or benefited from or initiated the transaction. A joint owner shall be responsible for returning any unused checks or access devices from any joint owner removed from the account. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.

Payable on Death (POD) Account Designations. A Payable on Death (POD) account is an account held in the name of one (1) or more persons as owner or owners for one or more persons designated as beneficiaries. The account and any balance thereof is subject to the following: a) during your lifetime you may withdraw the money in the account; b) by written direction to the credit union, you may change the beneficiary or beneficiaries; and c) upon your death the money remaining in the account will belong to the beneficiary or beneficiaries, and the money will not be inherited by your heirs or be controlled by your will. Any POD beneficiary designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary of the existence of any account or the vesting of a beneficiary's interest in any account, except as otherwise provided by law.

Accounts for Minors. For any account established by or for a minor, the Credit Union reserves the right to require the minor account owner to have his or her Social Security Number (SSN) or Tax Identification Number (TIN) and to have a parental joint account owner or guardian who is at least eighteen (18) years of age, who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. For a joint account, all funds in the account shall be owned as a joint account with rights of survivorship. The Credit Union may make payments of funds directly to the minor without regard to his or her minority. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or joint account owner. The Credit Union will not honor any transaction request by a parent or guardian who is not a joint account owner. The minor account owner's Social Security Number (SSN) or Tax Identification Number (TIN) must be shown on the account.

UNIFORM TRANSFERS/GIFTS TO MINORS ACCOUNT - A Uniform Transfers/Gifts to Minors Account (UTMA/UGMA) is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The minor to whom the gift is made is the beneficiary of the custodial property in the account. The custodian has possession and control of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction. If the custodian dies, we may suspend the account until we receive instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawal.

AGENCY DESIGNATION ON AN ACCOUNT - An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or credit union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent.

Accounts for Businesses and Organizations. Accounts held in the name of a business, organization, or association member are subject to the same terms set forth in this Agreement and the following additional rules. The Credit Union reserves the right to require the business member to provide a Membership Application informing the Credit Union who is authorized to act on its behalf. No POD beneficiary designation or other designation shall apply to the account unless your SSN is used as the primary tax identification number for the account. You agree to notify the Credit Union of any change in authority. The Credit Union may rely on the written authorization until such time as the Credit Union is informed of changes in writing and has had reasonable time to act upon such notice. The Credit Union may require that third-party checks payable to a business not be cashed, but must be deposited to a business account. The Credit Union shall have no notice of any breach of fiduciary duties arising from a transaction by any agent of the account owner, unless the Credit Union has actual notice of any wrongdoing.

Deposit of Funds Requirement. Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth in the Truth-in-Savings Disclosure. Deposits may be made by mail, at night depositories, or at unstaffed facilities. Deposits at unstaffed facilities are not our responsibility until we receive them. We reserve the right to refuse or to return any deposit.

Transactions by Mail. You may deposit checks by mail; you should endorse the check with the words "for deposit only" and include your correct account number underneath to ensure the check is credited to the correct account. You should use the pre-encoded checking deposit slips found behind the checks in your check book. If you do not use your deposit slip or provide us with instructions indicating how or where the check should be credited, we may apply it to any account or any loan balance you have with us or we may return the check to you. Receipts for such transactions will be mailed to you only if a self-addressed stamped envelope is provided. Following your deposit examine your

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statement carefully or call us to ensure that we received the item. Do not send cash through the mail for deposit.

Endorsements. You authorize the Credit Union, at its discretion, to accept transfers, checks, drafts, and other items for deposit into any of your accounts, whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. The Credit Union reserves the right to verify all endorsements on third-party checks presented for deposit, either in person or by comparison with member signature files. If insurance, government, and certain other checks or drafts require an endorsement as set forth on the back of the check, the Credit Union may require endorsement as set forth on the check. Endorsements must be placed in the space on the back of the check between the top edge and one and a half inches from the top edge. The Credit Union may accept drafts or checks with endorsements outside this space. However, if any such endorsements or other markings you or any prior endorser make on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error.

Collection of Items. The Credit Union shall not be responsible for deposits made by mail or at an un-staffed facility until the Credit Union actually receives them. In handling items for deposit or collection, the Credit Union only acts as your agent and assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for default or negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union reserves the right to send any item for collection. 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.

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

Changing Account Products. We may change your account to another product offered by us at any time by giving you notice that your account will be changed to another product on a specified date.
If your account is a time account, the change will not occur before the next maturity date of your account. If you do not close your account before the date specified in the notice, we may change your account to that other product on the date specified in the notice.

Final Payment/Provisional Payment. You agree to be bound by the automated clearing house association operating rules that provide that payments made to you or originated by you by funds transfer through the automated clearing house system are provisional until final settlement is made through a Federal Reserve Bank or otherwise payment is made as provided in Article 4A-403(a) of the Uniform Commercial Code. If final payment is not received, we reserve the right to charge your account for the amount of those items or ACH transfers and impose a return charge on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect any item, the Credit Union may charge such a fee to your account. The Credit Union reserves the right to refuse or to return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use.

Direct Deposits. The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e. payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits to your accounts by a separate authorization. If applicable, you must notify the Credit Union at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. Upon filing of bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the U.S. government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union 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 overdrawn amount from any deposit, including deposits of government payments or benefits.

Crediting of Deposits. Deposits made on Sundays and Credit Union holidays will be credited to your account on the next business day. Deposits received at un-staffed facilities such as night depositories and automated teller machines (ATMs) will be credited on the day funds are removed and processed by the Credit Union. Items drawn from an institution located outside the United States are handled on a collection basis only. Amounts will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

NCUA Insurance. Funds in your account(s) with us are insured by the National Credit Union Administration (NCUA) and backed by the full faith and credit of the United States. The amount of insurance you have depends on the number of accounts you have with us that are of different "ownership." An individual account is one unique form of "ownership"; a joint account, a pay-on-death account, and a self-directed qualified retirement account (e.g., an IRA) are examples of some of the others. Share insurance for a person's self-directed qualified retirement account is up to $250,000.00 (An IRA is a self-directed qualified retirement account as is any account where the owner decides where and how to invest the balance). Funds are insured to $250,000.00 per depositor for the total of funds combined in all of your other insured accounts with us. If you want a more detailed explanation or additional information, you may ask us or contact the NCUA. You can also visit the NCUA website at www.ncua.gov and click on the share insurance link. The link includes detailed contact information as well as share insurance estimator.

ACCOUNT ACCESS

Authorized Signature. Your signature on the Account Card authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any check or draft that appears to bear your facsimile signature even if it was made by an unauthorized person. You authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction.

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.

Access Options. You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an automated teller machine, in person, by mail, Internet access, automatic transfer, or telephone, as applicable). We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any loss we incur handling such a check or draft. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.

ACH and Wire Transfers. Except as amended by this Agreement, electronic funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the credit union is located. We may execute certain requests for electronic funds transfers by Fedwire. Fedwire transactions are subject to Federal Reserve Board Regulation J. You may order electronic funds transfers to or from your account. We will debit your account for the amount of an electronic funds transfer and will charge your account for any fees related to the transfer. Unless we agree otherwise in writing, we reserve the right to refuse to execute any order to transfer funds to or from your account. We are not obligated to execute any 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. We will not provide you with next day notice of ACH, wire transfers and other electronic payments 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. If we fail to properly execute a payment order, and such action results in a delay in payment to you, we will pay you dividends or interest for the period of delay as required by applicable law. The dividends or interest paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period. Payment orders we accept will be executed within a reasonable time of receipt but may not necessarily be executed on the date they are received. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments and, if received after a cut-off time, may be treated as having been received on the next following funds transfer business day. Information about any cut-off times is available upon request. When you initiate a wire transfer, you may identify the recipient and any financial institution by name and by account or identifying number. The credit union and any other financial institutions facilitating the transfer may rely strictly on the account or identifying number even if the number identifies a different person or financial institution. Any account owner may amend or cancel

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a payment order even if that person did not initiate 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. We may require you to follow a security procedure to execute a payment order or certain electronic funds transfer transactions. We will notify you of any such security procedures and you agree that our security procedures are commercially reasonable. If we conduct a remittance transfer(s) on your behalf acting as a remittance transfer provider, such transactions will be governed by 12 C.F.R., part 1005, subpart B - Requirements for a remittance transfers. A "Remittance Transfer" is an electronic transfer of funds of more than $15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time services are requested and rendered in accordance with applicable law.

Credit Union Examination. The Credit Union may disregard information on any check other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree that the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

ELECTRONIC CHECK TRANSACTIONS

Electronic Checks. If you authorize a merchant to electronically debit your checking account using the routing, account, and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such authorization is an electronic check conversion. An electronic check conversion is an electronic funds transfer (EFT) subject to the terms of the Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from your checking account.

Electronic Re-presented Checks. If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction ("Electronic Re-presented Check") to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic funds transfer subject to the terms of the Electronic Funds Transfer Agreement. If you want to reverse an electronic re-presented check, you must give us an affidavit within fifteen (15) days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was ineligible or unauthorized. If we receive a proper notice of affidavit from you within the 15-day period, we will recredit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented check, you must follow the procedures for stopping payment of checks, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor's bank to send us the original paper check or a copy of the paper check, and we provide it to you, you agree that you will not seek to have your account re-credited due to a prior stop payment order or if the item is otherwise ineligible for collection.

Account Rates and Fees. The Credit Union's payment of dividends on any account is subject to the account rates and fees, earnings, payment, and balance requirements as set forth in the "Account Disclosure" and "Schedule of Fees and Charges." You agree that the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current "Schedule of Fees and Charges" has been provided to you separately. You agree the Credit Union may change the "Account Disclosure" and "Schedule of Fees and Charges from time to time and you will be notified of such changes as required by law.

TRANSACTION LIMITATIONS

Withdrawal Restrictions. The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Drafts or other transfer or payment orders that are drawn against insufficient available funds will be subject to a service charge set forth in the "Schedule of Fees and Charges."

If there are sufficient available funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient available funds in any order at the Credit Union's discretion. The Credit Union may also refuse to allow a withdrawal in other cases, for example. any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checking accounts) of no less than seven (7) days and up to sixty (60) days, as required by law, before such withdrawal.

Transfer Limitations. We may limit the dollar amount or the number of transfers from your account. See your Truth-in-Savings Disclosure or your Electronic Funds Transfer Agreement and Disclosure.

Certificate Accounts. Any time deposit, term share, share certificate, or certificates of deposit account allowed by state law (certificate account), whichever we offer, is subject to the terms of this Agreement, the Truth-in-Savings Disclosure, and the Account Receipt for each account, the terms of which are incorporated by reference.

OVERDRAFTS

Overdraft Liability. If on any day, the available funds in your checking account are not sufficient to cover checks and other items posted to your account, those checks and items will be handled in accordance with our overdraft procedures or an overdraft protection plan you have with us. We may charge an insufficient funds (NSF) fee for an item whether paid or returned as set forth in the schedule of fees. We may charge you an NSF fee each time an item is submitted to us for payment from your account when at the time of presentment your account does not have sufficient available funds or when we return, reverse, or decline to pay an item for any other reason authorized by the terms and conditions governing your account.

Be aware that such an item or payment may be presented multiple times and that we do not monitor nor control the number of times a transaction is presented for payment.

Except as otherwise agreed to in writing, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If the Credit Union pays an item that would otherwise overdraw your account, you agree to pay the overdraft amount immediately.

We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any midnight deadline limits.

Payment of Overdrafts. If we offer standard overdraft services, this service allows us to authorize payment for the following types of transactions regardless of whether your share or deposit account has sufficient funds: (1) share drafts/checks and other transactions made using your checking account, except as otherwise described below; (2) automatic bill payments; (3) and ACH transactions. For ATM and one-time debit card transactions, you must affirmatively consent to such coverage. Without your consent, the Credit Union may not authorize and pay an ATM or one-time debit card transaction that would result in insufficient funds in your account. If you have established a service linking your share or deposit account with other individual or joint accounts, you authorize us to transfer funds from another account of yours to cover an insufficient item, including transfers from a share or deposit account, an overdraft line-of-credit account, or other account you so designate. Services and fees for these transactions are shown in the document the Credit Union uses to capture your affirmative consent and the Schedule of Fees and Charges.

Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay such items that result in an insufficiency of funds in your account, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee that results in insufficient funds in your account, you agree to pay the insufficient amount, including the fee assessed by us, in accordance with our standard overdraft services or any other service you may have authorized with us or, if you do not have such protections with us, in accordance with any overdraft payment policy we have, as described.

Signature-Based Debit Card Purchase Transactions. These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. This is referred to as an "authorization hold". An authorization hold will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and

its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

For debit card transactions involving merchant authorization holds, there may be a delay between the hold being applied and the transaction posting to your account. During the delay, intervening transactions may impact the available balance in your account. It is important to keep in mind that we check your available balance both at the time the merchant's authorization request is received and again when the transaction settles and posts to your account. If your available balance is insufficient to cover the amount of the merchant's authorization request, we will decline the request. If your available balance is sufficient to cover the merchant's authorization request, the request will be approved, and an authorization hold in the amount of the request will be placed on your account. The transaction will be subsequently processed by the merchant and submitted to us for payment. If the transaction settles and posts to your account at a time when the available balance is insufficient to pay the transaction without causing an overdraft (i.e., posting the transaction results in an available balance of less than $0), we will charge you a fee for overdrawing your account, even though the available balance in your account was sufficient to cover the transaction at the time it was authorized.

The following example illustrates how this works:

Assume your actual and available balances are both $40.00, and you use your debit card at a restaurant to pay your bill totaling $30.00. If the restaurant requests authorization in the amount of $30.00, an authorization hold is placed on $30.00 in your account. Your available balance is only $10.00, but the actual balance remains $40.00. Before the restaurant charge is sent to us for payment, a check that you wrote for $40.00 is presented for payment. Because your available balance is only $10.00 due to the $30.00 authorization hold, your account will be overdrawn by $30.00 when the check transaction is posted to your account even though your actual balance is $40.00. In this example, if we pay the $40.00 check in accordance with our standard overdraft services, we will charge you a fee for overdrawing your account as disclosed in the Schedule of Fees and Charges. The fee will also be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount to the restaurant. The transaction amount may be $30.00 or a different amount (for example, if you added a tip). Because the amount of the restaurant charge exceeds your available balance at the time the charge is settled (i.e., at the time the merchant or its financial institution requests payment or the transaction posts to your account), we will charge you another fee for overdrawing your account, even though you had a sufficient available balance in your account at the time the restaurant charge was authorized and approved.

Order of Payments. Checks, drafts, items and other transactions may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft or item and execute other transactions on your account in any order we choose. The order in which we process checks, drafts and items and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you have questions about how we pay checks or drafts and process transfers and withdrawals.

Our policy is to process Phone and Online Banking Transfers as well as ATM and Debit Card Transactions first. Phone and Online Banking Transfers are processed in real time as they occur on the day they are processed, and ATM and Debit Card Transactions are processed in the order they are received on the day they are processed. We process ACH Transactions second, by dollar amount - smallest to largest on the day they are processed. We process Checks and Similar items third, by dollar amount - smallest to largest on the day they are processed. We process On Us Checks fourth, in the order they are received on the day they are processed. We process Bill Pay Transactions fifth, depending on whether the receiver accepts ACH payments. If the receiver accepts ACH, bill pay transactions are processed the same as ACH transactions. If not, a check is issued.

Understanding Your Account Balance. Your Checking account has two kinds of balances: the actual balance and the available balance.

- ***Actual 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.
- ***Available Balance*** – 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, 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. You may check your available balance online, mobile banking or by calling a branch.

Postdated and Stale Dated Items. You agree not to issue any check or draft that is payable on a future date (postdated). If you do issue a check or draft that is postdated and we pay it before that date, you agree that we shall have no liability to you for such payment. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account that is more than six (6) months past its date.

STOP PAYMENT ORDERS

Stop Payment Request. You may ask the Credit Union to stop payment on any check drawn upon your checking account. You may request a stop payment by telephone, by mail, fax or in person. To be binding, the order must be in writing, dated and signed, and must accurately describe the check or draft, including the exact account number, the check or draft number and the exact amount of the check or draft. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, date, and number of the check and its exact amount. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we re-credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the check to the Credit Union, and to assist the Credit Union in legal action taken against the person.

Duration of Order. You may make an oral stop payment order, which will lapse within fourteen (14) calendar days unless continued in writing within that time. A written stop payment order will be effective for 6 months. A written stop payment order may be renewed in writing from time to time. The Credit Union is not obligated to notify you when a stop payment order expires.

Liability. The Credit Union may charge a fee for each stop payment order requested, as set forth in the "Schedule of Fees and Charges." You may not stop payment on any certified check or draft, cashier's check or teller's check, or any other check, draft, or payment guaranteed by the Credit Union. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages, or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

Lost Items. The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse the credit for any deposited items or to charge your account for the items, should they become lost in the collection process.

Credit Union's Liability for Errors. If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if; (a) through no fault of the Credit Union, your account does not contain enough money to make the transaction; (b) circumstances beyond the Credit Union's control prevent the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to a legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor.

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The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules, and general banking practices followed in the area serviced by the Credit Union. You grant the Credit Union the right, in making payments of deposited funds, to rely on the form of the account and the terms of this Account Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form.

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 member to pay a fee. Any applicable check or draft cashing fees are stated in the Schedule of Fees and Charges.

Remotely Created Checks. For purposes of this paragraph, "account" means a transaction account, credit account, and any other account on which checks (share drafts) may be drawn. A remotely created check is a check created by someone other than the person on whose account the check is drawn. A remotely created check is generally created by a third party payee as authorized by the owner of the account on which the check is drawn. Authorization is usually made over the telephone or through on-line communication. The owner of the account does not sign a remotely created check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check against your account, you may not later revoke your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account and may charge against your account any remotely created check for which the third party has proof of your authorization.

Credit Union Lien and Security Interest. 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. Federal or state law (depending upon whether we have a federal or state charter) gives us a lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by federal or state law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you.

Right to Repayment. You each agree that we may without prior notice when permitted by law change against and deduct from your account any due and payable debt you owe us, now or in the future. If this account is owned by one or more of you as individuals, we may offset any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner of the partnership debt. If your debt is from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under terms of the note and this amount may include any portion of the balance that we have properly accelerated the due date.

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

Legal Action Affecting your Account. If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant or similar order relating your account (termed "legal action") in this section, we will comply with that legal action, OR, in our discretion, we may freeze the assets in the account and not allow payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have availability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorney's fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

Account Information. Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a report in connection with your account. The Credit Union agrees not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure complies with the law or a government agency or court order; (4) as disclosed in our Privacy Notice Disclosure with Opt Out; or (5) you give us written permission.

Power of Attorney. You may wish to appoint an agent to conduct transactions on your behalf. However, we have no duty or agreement whatsoever to monitor or insure that acts of the agent are for your benefit. This may be done by allowing your agent to sign in the capacity of the signature card OR by separate form such as a power of attorney. Powers of attorney continue until your death or the death of the person given the power. If the power of attorney is not durable, it is revoked when you become incompetent. We may continue to honor agent transactions until:

1.) We have received written notice or have actual knowledge of termination of the authority or the deaths of the owner and
2.) We have had a reasonable opportunity to act on that notice or knowledge.

You agree not to hold us responsible for any loss or damage you may incur because we followed instructions given by an agent acting under a valid power of attorney.

NOTICES

Name or Address Changes. It is your responsibility to notify the Credit Union of a change in mailing or physical address, change of email address or change of name. The Credit Union is only required to attempt to communicate with you only at the most recent address you have provided to the Credit Union. If the Credit Union attempts to locate you, the Credit Union may impose a service fee as set forth on the "Schedule of Fees and Charges."

Notice of Amendments. Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union will notify you of any changes in account terms, rates, or fees as required by law. Changes in account ownership, such as adding or removing a joint account owner, must be evidenced in writing. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

Effect of Notice. Any written notice you give the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. mail, postage prepaid, and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account. The Credit Union reserves the right to accept oral instructions, and you agree to hold the Credit Union harmless from any liability arising as a result of such instructions.

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.

Taxpayer Identification Number (TIN) and Backup Withholding. If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay the Internal Revenue Service (IRS) a required percentage of payments of dividends, and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may suspend the opening of your account.

STATEMENTS

Contents. If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For checking accounts, you understand that when paid, your original check becomes property of the Credit Union. Copies will be retained by the Credit Union and made available upon your request and subject to the fee set forth in the "Rate Addendum and Schedule of Fees and Charges."

Examination. You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible

for any forged, altered, or unauthorized item drawn on your account if (1) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration, or unauthorized signature on the item; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

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

Inactive and Abandoned Accounts. If you have an account that you have not made a withdrawal from, deposit to, renewal of, or transfer involving your account for more than 1 year (12 months) the Credit Union may classify your account as inactive and may charge an inactive account service fee as allowed by applicable law and set forth on the "Schedule of Fees and Charges". If your account is classified as inactive and the Credit Union has been unable to contact you by regular mail during this period, the Credit Union may classify your account as dormant and may charge a dormant account service fee as allowed by law and set forth on the "Schedule of Fees and Charges". Thereafter, dividends or interest will not be paid on the account if the balance falls below any minimum balance requirement. If a deposit or withdrawal has not been made on the account, you have not otherwise indicated an interest in the account, or the Credit Union has had no other contact with you within three (3) years as specified under state law, the account will presumed to be abandoned. Funds in abandoned accounts will be remitted in accordance with state law. Once funds have been turned over to the state, the Credit Union has no further liability to you for such funds. If you choose to reclaim such funds, you must apply to the appropriate state agency.

Death of Account Owner. The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits, and other transactions on the account until the Credit Union learns of an account owner's death. Once the Credit Union learns of a member's death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from any person claiming an interest in the account to stop payment on the checks and other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim.

Termination of Account. The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in the account; (4) any account checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) any owner or authorized user causes the Credit Union to suffer a loss, or if there has been any misrepresentation or any other abuse of any of your accounts. Your account removal or termination will not affect your responsibility for any loan obligations or prior transactions. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check or other item after termination, you agree to reimburse the Credit Union for payment.

If we close your account, we may send the collected balance on deposit in your account, less any fees, claims, setoffs, or other amounts you are responsible for, by regular mail to your most recent address shown in our records.

We may close your account, convert your account to another account type or change your account's overdraft setting at our discretion due to excessive overdrafts.

We are not liable for any damages or liabilities resulting from the termination of an account relationship. Subject to any rights we may have with respect to advance notice of withdrawal from your account, you may close your account at any time for any reason. If your account is overdrawn when we close it, you agree to promptly pay all the amounts owed to us. We are not required to close your account at your request if you have pending transactions, the account is overdrawn or your account is subject to legal process (such as garnishment, attachment, levy or similar order). In these cases, we will restrict your account against all future withdrawals other than under legal process until pending transactions are paid or returned, the balance is no longer negative, and any legal restriction has been released. After we restrict your account in preparation for closing it, we will not pay any additional interest on that account. After the account is closed, we have no obligation to accept deposits or pay any outstanding checks. We will not be liable for refusing to honor any checks drawn on a closed account.

Termination of Membership. You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw. You may be expelled if there has been any misrepresentation or any other abuse on any of your other accounts or if you fail to comply with the Credit Union policies, procedures, or bylaws, conduct yourself in a threatening or abusive manner to Credit Union personnel, or willfully damage Credit Union property. You may be denied service or expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union or violating any terms of membership. If you are expelled, you may not be a joint account owner on another account.

Limitation of Services. All eligible members are entitled to maintain a single share (defined as the par value share or membership share) in the Credit Union and are eligible to attend, participate and vote at the annual and special meetings of the members and maintain a share account. No other access to products, services, or facilities is a right of membership. All such access may be reduced or limited at the discretion of the Credit Union.

A member in good standing is a member who:

A. Maintains at least their minimum share, as defined within the Credit Union's bylaws;

B. Has not had any account with the Credit Union closed due to abuse or negligent behavior;

C. Has not caused a financial loss to the Credit Union;

D. Has not engaged in violent, belligerent, disruptive, or abusive activities such as:

   a. Violence, intimidation, threats, harassment, or physical or verbal abuse of duly elected or appointed officials or employees of the Credit Union, members, or agents of the Credit Union. This includes actions while on Credit Union premises and through use of telephone, mail, email or other electronic method;

   b. Causes or threatens damage to Credit Union property;

   c. Unauthorized use or access of Credit Union property;

   d. Knowingly disseminating incorrect, misleading, confidential, or proprietary information regarding the Credit Union;

   e. Conducting or attempting to conduct or engage in any fraudulent, dishonest or deceptive activity of any kind involving Credit Union employees or Credit Union services; or

   f. Any actions that may cause material risk or financial harm to the Credit Union.

This list is not exhaustive and is used only as an example of types of activities that may be viewed as "abusive" by the Credit Union. The Credit Union may limit services for any member that is not in good standing. Possible account or service restrictions may include but are not limited to:

A. Denying access to Credit Union premises or utilizing Credit Union property;

B. Restricting services which involve direct contact with Credit Union employees, either in person, via telephone, or through electronic means;

C. Restricting use of option services, including but not limited to: Courtesy Pay, Skip-a-Pay, or other programs;

D. Restricting use of online banking or mobile banking systems and applications;

E. Freezing accounts, limiting account access to, or closing accounts;

F. Restricting ability to use ATM or debit cards;

G. Reducing credit limits or closing a line of credit (including credit cards);

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H. Restricting ability to cash checks drawn on another Credit Union member's account or requiring such checks be deposited into accounts;

I. Preventing from being a joint owner on another member's accounts or acting as an agent for another member; or

J. Otherwise restrict accounts or services, except that we will not restrict fundamental rights.

For violent, belligerent, disruptive, or abusive activities, the Credit Union will limit services when there is a logical relationship between the activities and the services to be suspended. For example, if a member is verbally or physically abusive to a Credit Union employee or other members, the Credit Union may refuse to permit the member onto the Credit Union premises and/or may further restrict the availability of certain services to limit personal contact with Credit Union employees or members. Whether violent, belligerent, disruptive, or abusive activities has occurred will be determined in the sole discretion of the Credit Union and Credit Union's Management.

Threats of bodily harm or any other illegal activity against any officials or employees of the Credit Union, members, or agents of the Credit Union will be reported to appropriate federal, state and/or local authorities. In the case of continued abusive behavior or an extremely abusive incident, a member shall be subject to suspension or expulsion proceedings as outlined in Credit Union Bylaws.

Special Account Instructions. You may request the Credit Union facilitate certain Estate Account or court-ordered account arrangements. However, because the Credit Union does not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond to indemnify the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union officer. Otherwise, payment is accepted with full reservation of rights. Account changes requested by you, or any account owner, must be evidenced by a signed Membership Application and accepted by the Credit Union. The Credit Union will not recognize the authority of someone to whom you have given power of attorney unless it is a Military Power of Attorney less than 1 year old.

Monitoring and Recording Telephone Calls and Consent to Receive Communications. Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account we may need to contact you about your account from time to time by telephone, text messaging or email. However, we first obtain your consent to contact you about your account in compliance with applicable consumer protection provisions in the federal Telephone Consumer Protection Act of 1991 (TCPA), CAN-SPAM Act and their related federal regulations and orders issued by the Federal Communications Commission (FCC).

- Your consent is limited to your account. and as authorized by applicable law and regulations.
- Your consent is voluntary and not conditioned on the purchase of any product or service from us.

With the above understandings, you authorize us to contact you regarding your account throughout its existence using any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device.

If necessary, you may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us**.**

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.

Severability. In the event that any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

Enforcement. You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

Governing Law. This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the state of Texas in which the Credit Union's main office is located and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

Class Action Waiver. No member or accountholder may maintain or pursue against the Credit Union a class action, class-wide arbitration, or private attorney general action. Nor shall any class action, class-wide arbitration, or private attorney general action be pursued by a member against the Credit Union in any arbitration or in any court proceeding, regardless of when the claim or cause of action arose or accrued, or when the allegations or facts underlying the claim or cause of action occurred.

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.

FUNDS AVAILABILITY POLICY DISCLOSURE

This policy statement applies to "transaction" accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorize transfers to other accounts of yours with us. Share draft accounts are the most common transaction accounts. Feel free to ask us whether any of your accounts might also be under this policy.

General Policy. Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit. Electronic direct deposits 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. 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 account. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or 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 at an ATM before 12:00 P.M. 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 at an ATM after 12:00 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Reservation of Right to Hold. In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Funds may not be available until the second business day after the day of your deposit. However, the first $275.00 of your deposit will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the same 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 next business 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.

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

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institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this Disclosure for the type of check that you deposited.

Longer Delays May Apply. We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than $6,725.00 on any one (1) day.
- You deposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six (6) months.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons and 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 member, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first $6,725.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the same day as the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over $6,725.00 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $6,725.00 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 ninth business day after the day of your deposit.

Deposits at Non-Proprietary ATMs. Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth business day after the date of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

Foreign Checks. Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this Disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn.

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will not be available until the first business day after the day of your deposit.

THE FOLOWING APPLIES TO ALL DEPOSITS OF SHARE DRAFTS OR CHECKS INTO SHARE DRAFT ACCOUNTS THROUGH TEXAS CREDIT UNION SERVICE CENTER OFFICES.

FUNDSAVAILABILITY POLICY DISCLOSURE. This Disclosure is provided in compliance with the Federal Expedited Funds Availability Act and Regulation CC. This policy applies to all deposits of share drafts or checks into share draft accounts through Texas Credit Union Service Centers offices. All the transactions at shared branches are treated as Off-site transactions and are not subject to the requirement to release the first $275.00 of your deposit as of the next business day. The term "Service Centers" will be used in this disclosure to refer to Texas Credit Union Service Centers. The term "check" will include share drafts.

SECTION A: SAME DAY AVAILABILITY. Consideration for "same-day" availability will be given to the following checks if all endorsement guidelines are met. Same-day availability means that no holds will be placed on the check. These checks may include: (a) U.S. Treasury checks which include social security, civil service, military payments, federal agency salary checks, IRS returns, VA compensations, and railroad annuities. (b) U.S. Postal Money Orders. (c) Federal Reserve Bank or Federal Home Loan Bank checks. (d) State of Texas and local Texas government checks including city, county, township, and village checks.

SECTION B: DELAYED AVAILABILITY. Service Center's policy is to delay the availability of all funds that are deposited into your accounts. During the delay, you may not withdraw the funds in cash and your credit union will not use the funds to pay checks that have been written. You will need to check with your credit union to verify when funds will be made available from deposits made at the Service Center.

SECTION C: NOT ACCEPTED INTO SHARE DRAFT/CHECKING ACCOUNTS. Negotiable instruments, which are subject to collection or special conditions, will not be accepted for deposit into any account. This category includes insurance drafts and sight drafts.

SECTIN D: AUTOMATIC TELLER MACHINES. Service Center branch hold policies do not apply to ATM transactions. The financial institution that issued your ATM card determines the funds availability policy.

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE

This Electronic Fund Transfers Agreement and Disclosure is the contract which covers your and our rights and responsibilities concerning the electronic fund transfers (EFT) services offered to you by Texas Bay Credit Union ("Credit Union"). In this Agreement, the words "you," "your," and "yours" mean those who sign the application or account card as applicants, joint owners, or any authorized users. The words "we," "us," and "our" mean the Credit Union. The word "account" means any one (1) or more share and share draft accounts you have with the Credit Union. Electronic fund transfers are electronically initiated transfers of money from your account through the EFT services described below. By signing an application or account card for EFT services, signing your card, or using any service, each of you, jointly and severally, agree to the terms and conditions in this Agreement and any amendments for the EFT services offered. Furthermore, electronic fund transfers that meet the definition of remittance transfers are governed by 12 C.F.R. part 1005, subpart B - Requirements for remittance transfers, and consequently, terms of this agreement may vary for those types of transactions. A "remittance transfer" is an electronic transfer of funds of more than $15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

This Electronic Fund Transfer disclosure does not apply to any accounts other than consumer accounts, as defined by Regulation E.

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed.

You should keep this notice for future reference.

Electronic Fund Transfers Initiated by Third Parties. You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways, For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your share draft or share savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your share draft or share savings account(s).
- **Electronic check or draft conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using Information from your check or draft to pay for purchases or pay bills.
- **Electronic returned check or draft charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

Audio Response Service Telephone Transfers - types of transfers. You may access your account by telephone 24 hours a day at (713) 920-5000 or 1-800-STAR321 using your personal identification number, a touch tone phone, and your account numbers, to:

- transfer funds from share draft to share draft or share savings
- transfer funds from share savings to share draft or share savings

- transfer funds from line of credit to share draft or share savings
- make payments from share draft or share savings to loan accounts with us

Get information about:

- the account balance of share draft or share savings accounts
- deposits to share draft or share savings accounts
- withdrawals from share draft or share savings accounts request a check withdrawal

ATM Transfers - Types of Transfers, Frequency and Dollar Limitations. You may access your account(s) by ATM using your Mastercard® Debit Card and personal identification number, to:

- make deposits to share draft or share savings account(s)
- get cash withdrawals from share draft or share savings account(s)
- you may make no more than 20 withdrawals per business day
- you may withdraw no more than $500.00 per business day, unless a different limit has been disclosed to you
- transfer funds from share savings to share draft account(s)
- transfer funds from share draft to share savings account(s) transfer funds from line of credit to share draft or share savings account(s) make payments from share draft or share savings account(s) to loan accounts with us

Get information about:

- the account balance of your share draft or share savings account(s)

Some of these services may not be available at all terminals.

Types of Mastercard® Debit Card Point-of-Sale Transactions. You may access your share draft account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

Point-of-Sale Transactions - frequency and dollar limitations. Using your card:

- you may make no more than 20 transactions per business day
- you may not exceed $500.00 in cash withdrawals per business day
- you may not exceed your available account balance in transactions per business day

Currency Conversion and Cross-Border Transaction Fees. If you initiate a transaction with your Mastercard® Debit Card in a currency other than US Dollars, Mastercard will convert the charge into a US Dollar amount. The Mastercard currency conversion procedure is based on rates observed in the wholesale market or, where applicable, on government-mandated rates. The currency conversion rate Mastercard generally uses is the rate for the applicable currency that is in effect on the day the transaction occurred. However, in limited situations, particularly where Mastercard transaction processing is being delayed, Mastercard may instead use the rate for the applicable currency in effect on the day the transaction is processed.

Mastercard charges us a Currency Conversion Assessment of 20 basis points (.2% of the transaction) for performing the currency conversion. In addition, Mastercard charges us an Issuer Cross-Border Assessment of 90 basis points (.9% of the transaction) on all cross-border transactions regardless of whether there is a currency conversion. As a result, we charge you a Currency Conversion fee of .2% and a Cross-Border Transaction fee of .9%. The Cross-Border Transaction fee is charged on all cross-border transactions regardless of whether there is a currency conversion. A cross-border transaction is a transaction that occurs at a card acceptance location in a different country from the country in which the card was issued. This means a cross-border transaction can occur even though the transaction is made when you are not in a foreign country. For example, a transaction made online with a foreign merchant is a cross-border transaction even though made while you are physically in the United States.

Mastercard Automatic Billing Updater Notice of Right to Opt Out. Your Mastercard® Debit Card will be automatically enrolled in the free Mastercard® Automatic Billing Updater (ABU) service. With ABU, your account files will be updated when information changes because of a product upgrade, card expiration, loss or theft, account closure or other changes. A participating merchant can access that updated card information before requesting a payment. Since not all merchants participate, you should also contact the merchants directly If your card Information changes. You are entitled to opt out of this service. You may opt out at any time.

If you want to opt out, phone us at 713-852-6700 or 281-464-9230, email us at webmail@tbacu.org or notify us through our website at https://texasbaycu.org/. You must include your name, address, account number and last four digits of your card number. If you opt out, you may opt back in if you decide you want the Mastercard Automatic Billing Updater service in the future. You may opt in the same way(s) that you can opt out.

Online Banking Computer Transfers - types of transfers. You may access your account(s) by computer through the internet by logging onto our website at www.texasbaycu.org and using your password, your member ID, and your security code (If applicable), to:

- transfer funds from share draft to share draft or share savings
- transfer funds from share savings to share draft or share savings
- transfer funds from line of credit to share draft or share savings
- make payments from share draft or share savings to loan account(s) with us
- make payments from share draft to third parties (Bill Pay)

  get information about:
  - the account balance of share draft or share savings account(s)
  - deposits to share draft or share savings accounts
  - withdrawals from share draft or share savings accounts
  - request a check withdrawal

FEES

- We do not charge for direct deposits to any type of account.
- We do not charge for preauthorized payments from any type of account.

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

ATM Operator/Network Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is $15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (713) 852-6700 or use Online Banking to find out whether or not the deposit has been made.
- **Periodic statements.**

  You will get a monthly account statement from us for your share draft accounts.

  You will get a monthly account statement from us for your share savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

PREAUTHORIZED PAYMENTS

- **Right to stop payment and procedure for doing so.** If you have told us In advance to make regular payments out of your account, you can stop any of these payments.

  Here is how:
  - Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.
  - Please refer to our separate fee schedule for the amount we will charge you for each stop-payment order you give.
- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

Liability for failure to make transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for Instance:

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

CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

1) where It Is necessary for completing transfers; or
2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3) in order to comply with government agency or court orders; or
4) as explained in the Privacy Disclosure contained elsewhere In this document.

UNAUTHORIZED TRANSFERS

a. Consumer liability.
Generally. Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than $50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as $500.00.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

Additional Limits on Liability for Mastercard® Debit Card. You will not be liable for any unauthorized transactions using your Mastercard® Debit Card If: (I) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (Ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard international Incorporated.

b. Contact In event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the Information from your check or draft without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions about Your Electronic Transfers, Call or Write us at the telephone number or address listed in this disclosure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

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

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

TEXAS BAY CREDIT UNION
FINANCIAL SERVICES
12611 FUQUA STREET
HOUSTON, TEXAS 77034
Business Days: Monday through Saturday
Excluding Federal Holidays
Phone: (713) 852-6700 or (800) 577-3164

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

NOTICE OF BASIC SAFETY PRECAUTIONS FOR ATM CARD AND NIGHT DEPOSIT FACILITY USERS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM), night deposit facility or using your ATM card to make purchases on the Internet. For your own safety, be careful. The following suggestions may be helpful.

1) Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your lime at the ATM or night deposit facility.
2) Mark each transaction in your account record, but not while at the A TM or night deposit facility. Always keep your ATM receipts secure. Don't leave them at the ATM or night deposit facility because they may contain important account information. Shred your ATM receipts once they are no longer needed.
3) Don't lend your ATM card to anyone.
4) Remember; do not leave your card at the ATM. Do not leave any financial documents at a night deposit facility or lying out unsecured.
5) Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. If your card has an embedded chip, consider keeping the card in a safety envelope to avoid undetected and unauthorized scanning. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone or Internet. If your ATM card can be used to make purchases, only consider providing card Information over the telephone or the Internet if it is to a trusted merchant and for a call or transaction Initiated by you - and never provide the merchant with the PIN to your ATM card.
6) Protect against ATM and internet fraud. Promptly compare your monthly account statements or the account histories that you receive against your ATM and other receipts. If you make a purchase on the internet, end the transaction by logging out of the website instead of just closing the web browser.
7) Inspect an ATM before you use it. Look for possible tampering, or for the presence of an unauthorized attachment that could capture your PIN or other information from your card. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
8) Protect the security of your PIN. Ensure no one can observe you entering your PIN into the ATM. An example of preventing others from seeing you enter your PIN is by using your body or hand to shield their view.
9) If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
10) When you make a transaction, remain aware of your surroundings and exercise caution when withdrawing funds. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.

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11) Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.

12) If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, put your card away and leave. You might consider using another ATM or coming back later.

13) Don't display your cash; put it away as soon as the ATM transaction is completed and wait to count the cash until you are in the safety of a locked enclosure such as your car, home, or in another secure area.

14) At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.

15) We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

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Texas Bay Credit Union
12611 Fuqua Street
Houston, TX 77034
Office: (713) 852-6700
1-800-577-3164
www.texasbaycu.org

MEMBERSHIP AGREEMENT (TRUTH-IN-SAVINGS DISCLOSURE)

Primary Savings Account

Rate Information:
The dividend rate and annual percentage yield may change every month. We may change the dividend rate for your account as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31. If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open and maintain this account is $1.00.

You must maintain a minimum daily balance of $100.00 in your account to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period. The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the month.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Par value of a share:
The par value of a share in this account is $1.00.

Secondary Savings Account

Rate Information:
The dividend rate and annual percentage yield may change every month. We may change the dividend rate for your account as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31. If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open this account is $1.00.

You must maintain a minimum daily balance of $100.00 in your account to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period. The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the month.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
No transaction limitations apply to this account unless otherwise stated in the Common Features section.

IRA/SEP Savings Account

Rate Information:
The dividend rate and annual percentage yield may change every month. We may change the dividend rate for your account as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31. If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open this account is $1.00.

You must maintain a minimum daily balance of $100.00 in your account to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period. The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the month.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
For IRA/SEP accounts, additional transaction limitations may be imposed by the Internal Revenue Service.

You may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, telephonic order or instruction, or similar order to a third party.

Bonus Money Fund Account

Rate Information:
The dividend rate and annual percentage yield may change every month. We may change the dividend rate for your account as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31. If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open this account is $500.00.

You must maintain a minimum daily balance of $100.00 in your account to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period. The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the month.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

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Transaction limitations:
The minimum amount you may withdraw is $150.00 per withdrawal.

During any month, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

Fees and charges:
An excess withdrawal fee will be charged for each debit transaction (withdrawal, draft or check paid, automatic transfer or payment out of this account) in excess of the above limitations.

Christmas Club Savings Account

Rate Information:
The dividend rate and annual percentage yield may change every month. We may change the dividend rate for your account as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dales. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.
If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open and maintain this account is $1.00.

You must maintain a minimum daily balance of $100.00 in your account to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period. The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the month.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks} to your account.

Transaction limitations:
Withdrawals may be made from this account between November 1st and January 31st of the next year. Withdrawals made prior to November 1st of any year will cause the account to remain closed until after January 1st of the following year.

Funds are distributed to the Share Savings account in November, bringing the balance to zero, but leaving the account open.

Simply Checking Account

Minimum balance requirements:
The minimum balance required to open this account is $100.00.

You must maintain a minimum daily balance of $100.00 in your account to avoid a service charge fee. If, during any monthly statement cycle, your daily balance is below the required minimum, your account will be subject to a service charge fee of $8.00 for that monthly statement cycle.

Daily balance computation method - The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the month.

Transaction limitations:
No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Perks Checking Account

Minimum balance requirements:
The minimum balance required to open this account is $50.00.

Fees and Charges:
Your account will be subject to a service charge fee of $6.00 for each monthly statement cycle.

Transaction limitations:
No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Premium Perks Checking Account

Rate Information:
The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.
If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open this account is $50.00.

You must maintain a minimum daily balance of $2,500.00 in your account to avoid a service charge fee. If, during any monthly statement cycle, your daily balance is below the required minimum, your account will be subject to a service charge fee of $10.00 for that monthly statement cycle.

You must maintain a minimum daily balance of $250.00 in your account to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period. The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the month.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Business Savings Account

Rate Information:
The dividend rate and annual percentage yield may change every month. We may change the dividend rate for your account as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.
If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open and maintain this account is $1.00.

You must maintain a minimum daily balance of $1,000.00 in your account to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period. The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the month.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place non-cash items (for example, checks) to your account.

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Transaction limitations:
No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Par value of a share:
The par value of a share in this account is $1.00.

Business Bonus Money Fund

Rate Information:
The dividend rate and annual percentage yield may change every month. We may change the dividend rate for your account as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31. If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open this account is $500.00.

You must maintain a minimum daily balance of $1,000.00 in your account to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period. The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the month.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place non-cash items (for example, checks) to your account.

Transaction limitations:
The minimum amount you may withdraw is $150.00 per withdrawal.

During any month, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

Fees and charges:
An excess withdrawal fee will be charged for each debit transaction (withdrawal, draft or check paid, automatic transfer or payment out of this account) in excess of the above limitations.

Simply Business Checking Account

This account is not a consumer account to which Truth in Savings applies.

Minimum balance requirements:
The minimum balance required to open this account is $50.00.

You must maintain a minimum daily balance of $1,500.00 in your account to avoid a service charge fee. If, during any monthly statement cycle, your daily balance is below the required minimum, your account will be subject to a service charge fee of $12.00 for that monthly statement cycle.

Transaction limitations:
No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Fees and charges:
A per item fee of $0.35 will be charged for each transaction (withdrawal, draft paid, automatic transfer or payment out of this account) in excess of 100 during a month.

Additional features:
Coin/currency deposited each month ..... up to $10,000.00 at no charge.

Simply+ Business Checking Account

This account is not a consumer account to which Truth in Savings applies.

Rate Information:
The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31. If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open this account is $50.00.

You must maintain a minimum daily balance of $5,000.00 in your account to avoid a service charge fee. If, during any monthly statement cycle, your daily balance is below the required minimum, your account will be subject to a service charge fee of $16.00 for that monthly statement cycle.

You must maintain a minimum daily balance of $1,000.00 in your account to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period. The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the monthly statement cycle.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Fees and charges:
A per item fee of $0.35 will be charged for each transaction (withdrawal, draft paid, automatic transfer or payment out of this account) in excess of 200 during a month.

Additional features:
Coin/currency deposited each month ..... up to $10,000.00 at no charge.

Commercial Checking Account

This account is not a consumer account to which Truth in Savings applies.

Rate Information:
The dividend rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

Compounding and crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31. If you close your account before dividends are paid, you will not receive the accrued dividends.

Minimum balance requirements:
The minimum balance required to open this account is $50.00.

You must maintain a minimum daily balance of $10,000.00 in your account to avoid a service charge fee. If, during any monthly statement cycle, your daily balance is below the required minimum, your account will be subject to a service charge fee of $20.00 for that monthly statement cycle.

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You must maintain a minimum daily balance of $1,000.00 in your account to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a periodic rate to the daily balance in the account for the period. The daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the monthly statement cycle.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Fees and charges:
A per item fee of $0.35 will be charged for each transaction (withdrawal, draft paid, automatic transfer or payment out of this account) in excess of 300 during a month.

Additional features:
Coin/currency deposited each month ..... up to $10,000.00 at no charge.

Certificate Of Deposit

Rate Information - You will be paid the disclosed rate until first maturity. Compounding frequency - Unless otherwise paid, dividends will be compounded every month.

Crediting frequency - Dividends will be credited to your account every month. Alternatively, you may choose to have dividends transferred monthly to another of your accounts at the Credit Union if arrangements are made at the time of opening the certificate account.

Dividend period - For this account type, the dividend period is the same as the term, beginning on the date the account is opened, and ending on the stated maturity date.

Minimum balance requirements:
The minimum balance required to open and maintain this account is $1,000.00.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:
After the account is opened, you may not make additions into the account until the maturity date stated on the account.

You may make withdrawals of principal from your account before maturity only if we agree at the time, you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty.

You can only withdraw dividends before maturity if you make arrangements with us for periodic payments of dividends in lieu of crediting.

Time requirements - Your account will mature on the date set forth on the Certificate Account Agreement that you receive at the lime of opening the account.

Early withdrawal penalties (a penalty may be imposed for withdrawals before maturity)

If your account has an original maturity of 12 months or less, but not less than three months:
The penalty we may impose will equal 90 days dividends on the amount withdrawn subject to penalty, whether earned or not.

If your account has an original maturity of 13 to 47 months:
The penalty we may impose will equal 180 days dividends on the amount withdrawn subject to penalty, whether earned or not.

If your account has an original maturity of 48 to 60 months:
The penalty we may impose will equal 270 days dividends on the amount withdrawn subject to penalty, whether earned or not.

Any withdrawal which, reduces the account balance below the minimum required balance to open the account shall be considered a withdrawal of the entire account balance, in which event, the penalty shall be computed as if the entire account balance had been withdrawn, the entire account balance shall be distributed to you, and your account will be closed.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

Withdrawal of dividends prior to maturity - The annual percentage yield is based on an assumption that dividends will remain in the account until maturity. A withdrawal will reduce earnings
.

Automatically renewable account - This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any) or we receive written notice from you within the grace period mentioned below, if any. If you prevent renewal, dividends will not accrue after final maturity.

Each renewal term will be the same as the original term, beginning on the maturity date. The dividend rate will be the same we offer on new term share accounts on the maturity dale which have the same term, minimum balance (if any) and other features as the original term share account.

You will have a grace period of ten calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

Flex Certificate of Deposit - This account requires an initial deposit of $100.00 and account holders may make additional deposits into that certificate throughout its term. The initial deposit and all subsequent deposits mature 12 months after the date that the initial deposit is made. The minimum balance requirement for the Certificate is $100.00, and account holders must maintain a regular share savings account with a minimum balance of $1.00.

Callable Certificate of Deposit - We may redeem this account, at our option, at any time without penalty or fee. These accounts may be subject to redemption, or called, on a specified date or dates prior to the maturity date, at our sole discretion. If the account is called, you will be notified by email or mail 5 calendar days before the account is called and will be paid the outstanding principal amount and dividends accrued or accredited up to, but not including, the callable date. The time periods for which the account may be called will be specified in the Certificate Account Receipt or a supplement to this Disclosure Statement.

Callable Certificate of Deposits present different considerations than certificates of deposits not subject to call by Texas Bay Credit Union. You may face the risk that: (i) the certificate of deposit may be called prior to maturity as a result of a call by Texas Bay Credit Union and your return would be less than the yield the certificate of deposit would have earned had it been held to maturity;
(ii) if the certificate of deposit is called, you may be unable to reinvest the funds at the same rate as the original certificate of deposit; and/or (iii) the certificate of deposit is never called and you may be required to hold the certificate of deposit until maturity. You should carefully review any supplement to this Disclosure Statement including your Certificate Account Receipt for time periods when Texas Bay Credit Union may call the certificate of deposit.
This account will automatically renew at maturity if not called by Texas Bay Credit Union. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any) or we receive written notice from you within the grace period mentioned below, if any. If you prevent renewal, dividends will not accrue after final maturity.
Each renewal term will be the same as the original term, beginning on the maturity date. The dividend rate will be the same we offer on new Callable Certificate of Deposits on the maturity date which have the same term, minimum balance (if any) and other features as the original Callable Certificate of Deposit.
You will have a grace period of ten calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

Common Features

Bylaw requirements:
You must complete payment of one share in your Primary Savings account as a condition of admission to membership. A minimum balance of $1.00 must be maintained in all Primary Savings Accounts in order to retain your membership in Texas Bay Area Credit Union. If that minimum balance is not maintained, you may be terminated from membership at the end of the next dividend period. In the event that you close a Primary Savings Account, you are not eligible to apply to reopen the account for a period of one year.

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An applicant eligible for membership may be admitted to membership in Texas Bay Area Credit Union upon payment of a membership fee, if any, as set by the Board of Directors and by establishing the minimum deposit balance established by the Board of Directors. A member whose obligations are defaulted and charged off as a loss automatically forfeits membership when that member's shares are applied toward the balance of that obligation. Shares may be transferred from one member to another only by a written instrument in such form as the Credit Union may prescribe. The Board, as set forth in the Fee Schedule, may require a reasonable fee for each transfer.

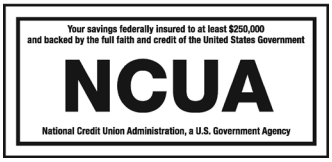
Rate Information - The dividend rate and the Annual Percentage Yield (APY) on your Credit Union Savings Accounts, Checking Accounts, Money Fund Accounts, IRA's, Christmas Club Accounts, and Certificates of Deposit are disclosed on the Truth-In-Savings Rate Sheet which accompanies this Deposit Agreement or could be obtained upon request. The dividend rate and APY disclosed for each Account represent the rate and APY that were offered within the most recent seven calendar days and were accurate as of the date set forth on the Rate Sheet. Visit our website at www.texasbaycu.org or call the Credit Union at (713) 852-6700 to obtain current rate information.

Transaction limitation - We reserve the right to at any time require not less than seven days notice in writing before each withdrawal from an interest-bearing account other than a time deposit or demand deposit, or from any other savings account as defined by Regulation D.

Nature of dividends - Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. (This disclosure further explains the dividend feature of your non-term share account(s).)

National Credit Union Share Insurance Fund - Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund.
The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, in-person withdrawal, ATM withdrawal, or other electronic means.
Please refer to our separate Fee Schedule for additional information about charges.

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