

MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement covers your and our rights and responsibilities concerning Accounts the Credit Union (Credit Union) offers. In this Agreement, the words you and yours mean anyone who signs an Account Card or Account Change Card (Account Card). The words we, us, and our mean the Credit Union. The word account means any one or more share or other accounts you have with the Credit Union.

Your account type(s) and ownership features are designated on your Account Card. By signing an Account Card, each of you, jointly and severally, agree to the terms and conditions in this Agreement and Account Card, the Funds Availability Policy Disclosure, Truth-in-Savings Disclosure, and any Account Receipt accompanying this Agreement, and the Credit Union's Bylaws and policies, and any amendments to these documents from time to time which collectively govern your Membership and Accounts.

1. **Membership Eligibility.** To join the Credit Union you must meet the membership requirements as set forth in the Credit Union's Bylaws or established from time to time by the Credit Union's Board of Directors. You authorize us to check your account, credit, and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.

2. **Single Party/Individual Accounts.** A single party or individual account is an account owned by one party (which includes individuals, corporations, partnerships, trusts or other organizations) qualified for credit union membership. If the account owner dies, ownership of the account passes to Payable on Death (POD) beneficiary(ies) if so named, or as a part of the account owner's estate under his or her will or by intestacy. Transfer of account ownership is subject to other provisions of this 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 our statutory lien for the owner's obligations, and to any security interest or pledge granted by the owner.

3. **Multiple Party (Joint) Accounts.** An account owned by two or more parties (joint owners) is a multiple party account. During life, the owners of a multiple party account own the account in proportion to the parties' net contributions to the account.

a. **Rights of Survivorship.** For a multiple party account with rights of survivorship, on the death of one owner, all sums in the account on the date of the death vest in and belong to the surviving owner(s) as his or her separate property and estate. This means when one owner dies, ownership of the account passes to the surviving owner(s) and the right of survivorship in the account continues until only one account owner remains surviving. For a multiple party account without rights of survivorship, when one owner dies, the deceased owners' interest in the account passes as part of the deceased party's estate under his or her will or by intestacy. Transfer of account ownership is subject to other provisions of this 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 our statutory lien for the owner's obligations, and to any security interest or pledge granted by the owner.

b. **Control of Multiple Party Accounts.** Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each

owner guarantees the signature of any other owner(s). Any owner may withdraw all funds, stop payment on items, transfer, or pledge to us all or any part of the shares without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account.

c. Multiple Party Account Owner Liability. If a deposited item in a multiple party account is returned unpaid, an account is overdrawn, or if we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of an owner or all funds in the multiple party account regardless of who contributed them.

4. Payable on Death/POD Designations. A Payable on Death (POD) account designation is an instruction to the Credit Union that a single or multiple party account so designated is owned by the owner(s) during their lifetime(s) and on the death of the last surviving owner, ownership of the account passes to surviving named POD beneficiary(ies). If a designation lists more than one POD beneficiary, the surviving beneficiaries shall own the account jointly without rights of survivorship. We are not obligated to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law.

5. Accounts for Minors. We may require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless a parent is an account owner, the parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

6. Accounts Subject to TUTMA. An account designated as subject to the Texas Uniform Transfers to Minors Act (TUTMA) is a single party/individual account for a minor. The account is created by the transfer of funds into an account subject to the TUTMA for a named minor. The transfer and all additional deposits to the account are irrevocable gifts to the minor. The transferor of the initial deposit to the account must name one person eligible under the TUTMA to serve as custodian of the account. The custodian has possession and control of the account and is required by law to manage 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 without a successor custodian already named for the account, we may suspend the account until a successor custodian is named, we receive instructions from any person authorized by law to withdraw funds or we receive a court order authorizing withdrawal.