

Deposit Services Agreement Disclosure

This disclosure contains the rules, terms, conditions and agreements, which govern your account(s) with Texoma Community Credit Union. Please read this disclosure carefully. If you sign your signature card or continue to have an account with us, you agree to these rules, our bylaws, and any bylaw amendments. You agree to pay the fees we charge and you give us the right to collect any fees, as earned, directly from your account balance. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this brochure. If you have any questions, please call us at (940) 851-4000 or e-mail us at info@TexomaCU.com.

This agreement is subject to applicable federal laws and the laws of the state of Texas (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal laws that governs our relationship with you, however, is too large and complex to be reproduced here.

The purpose of this brochure is to:

- (1) Summarize the existing rules applicable to the more common transactions;
- (2) Establish rules to govern transactions or events which the law does not regulate;
- (3) Establish rules for certain events or transactions which the law already regulates but permits variation by agreement; and
- (4) Make required disclosures regarding:

- U.S. Patriot Act,
- Fair and Accurate Credit (FACT) Act
- Electronics Fund Transfers,
- ATM Security,
- Funds Availability,
- Privacy Notice,
- Truth-in-Savings Policy disclosures,
- Fee Schedule and other notices.

We may permit some variations from this standard agreement, but any variations must be agreed to in writing, either on our signature card for the account or in some other written form. (See Account Handbook, Section 1.45 Amendments and Termination.)

As used in this brochure, the words "we," "our," and "us" means the credit union and the words "you" and "your" mean the owner(s) of this account and anyone signing in a representative capacity (e.g. an "authorized signer" or grantee of a power of attorney) appointed by or on behalf of the owner(s) to sign on the account. "Party" means a person who, by the terms of the account, has a present right, subject to request, to payment from the account other than as a beneficiary, authorized signer, or other person signing only in a representative capacity. "Member" or "Primary Member" refers to the first person signed on the account. "Joint Owner" or "Joint Member" refers to any or all subsequent signed parties on the account.

1.01 U.S. PATRIOT ACT, OFFICE OF FOREIGN ASSET CONTROL (OFAC), AND MEMBER IDENTIFICATION PROGRAM (MIP)

Our country will never be the same since the attack on America on September 11, 2001. It is our responsibility to know our members. To comply with laws designed to fight terrorism we comply with the Bank Secrecy Act, U.S. Patriot Act, and OFAC. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions, including Texoma Community Credit Union, to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask you for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license, a U.S. military identification, a U.S. Passport or other valid (not expired) form of U.S. government issued identification. Valid identification, which includes a photograph, is required to open an account. We may also retain a copy of these documents.

1.02 FACT ACT NOTICE TO CONSUMER

Under Federal Regulation, (Fair and Accurate Credit Transaction Act, Section 217(a)), we are required to give you this notice. Any negative information on your loan may be reported to the credit-reporting agency and may negatively affect your credit score. Negative information means information concerning a member's delinquencies, late payments, insolvency, or any form of default. This notice is submitted to you prior to furnishing the negative information to a consumer-reporting agency or credit bureau.

Members who have negative information reported to the credit bureau will probably receive a lower credit score. Members with lower credit scores typically are required to pay a considerably higher interest rate, are required to make a larger down payment, can not finance for as long terms, and/or are approved for smaller amounts of loans than members with higher credit scores.

1.05 YOUR LIABILITY

Each of you agrees for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of fees or charges we impose. You authorize us to deduct these charges as accrued directly from the account balance. You also agree to pay additional reasonable charges we may impose for service(s) you request which is not covered by this agreement. Each of you agree to be jointly and individually liable for any account deficit resulting from charges or overdrafts, whether caused by you or another person authorized to withdraw from this account, and our costs to collect the deficit including, to the extent

permitted by law, our reasonable attorney's fees. You agree that at our option we may suspend your membership rights, or reduce the services available to you if you violate the terms of this agreement, participate in illegal activity or otherwise behave in such a manner as to create undue liability or risk to the other members of this credit union.

1.06 OUR LIABILITY (Consequential Damages)

If we do not properly complete a transaction according to this agreement, we will be liable to you for your losses and damages. Our liability, however, is limited to the amount of the transaction unless the law provides for a different standard. You acknowledge and agree that we will not be liable for consequential damages under this agreement, except as otherwise provided by law.

1.10 DEPOSITS

Any items, other than cash, accepted for deposit (including items drawn "on us") will be given provisional credit only until collection is final (and actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars). We are not responsible for transactions initiated by mail or an outside depository until we actually record them. You waive any right to receive any original item after it is paid. (Check 21).

All deposit transactions received after our "daily cut-off time" (2:00 P.M. C.S.T. as of this publication) on a TCCU business day we are open, or received on a day we are not open for business, will be treated and recorded as if initiated on the next business day that we are open. *(For example: Share Drafts/Checks are processed based upon the balance in your account as of 2:00 PM. Any deposit subsequently made to your account after the checks are processed will not be considered when determining whether sufficient funds are in your account.)* If you make a deposit on the same business day, after we have dishonored a check, the dishonored check, based on your balance at the cut-off time, will remain dishonored and an NSF or ODP fee may be charged.

If this account earns dividends, law prohibits us from guaranteeing the payment of dividends, or that dividends will be paid at the contracted rate. We must base our dividend payments to you upon the money we actually earn and that is available for distribution at the end of a dividend period.

1.15 WITHDRAWALS

Unless clearly indicated to the contrary, any one of you who signs in the space designated for signatures on the signature card, including anyone signing in a representative capacity, may withdraw or transfer all or any part of the account balance at any time on forms approved by us. Each of you (until we receive written notice to the contrary) authorizes each other person signing on the signature card to endorse any item payable to you or your order for deposit to this account or any other transaction with us. The fact that we may honor withdrawal requests, which overdraw the finally collected account balance, does not obligate us to do so, unless required by law.

Withdrawals will first be made from collected funds. We may, unless prohibited by law or our written policy, refuse any withdrawal request against uncollected funds, even if we have honored such requests in the past. We reserve the right to refuse any withdrawal or transfer request which is attempted by any method not specifically permitted, which is for an amount less than any minimum withdrawal requirement, or which exceeds any frequency limitation. Even if we honor a non-conforming request, repeated abuse of the stated limitations, if any, may eventually force us to close this account. We will use the date a transaction is completed by us (as opposed to the day you initiated it) to apply the frequency limitations. We reserve the right to require you to notify us of your intention to withdraw shares or deposits from this account as explained in our bylaws. A fee may be charged for excessive (more than 4 monthly) withdrawals from a shares account. Withdrawals from a time deposit (i.e. certificate of deposit) prior to maturity or prior to the expiration of any notice period may be restricted and may be subject to penalty. See your notice of penalties for early withdrawal.

1.20 OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. If the owner makes no designation on the account agreement card, the account will be held in a Right of Survivorship and Payable on Death relationship. We reserve the right to refuse some forms of ownership on any or all of our accounts. Accounts may be held in any of the following forms, subject to your written designation on the signature card:

- (a) **Single-Party Account** – (Owned by one person) At death of the party, ownership passes as part of the party's estate.
- (b) **Multiple-Party Account Without Right of Survivorship** – (Tenants in common) – At death of any party, the deceased party's ownership passes as part of deceased party's estate. None of you intend (merely by opening this account) to create any right of survivorship in any other party. We encourage you to agree and tell us in writing the percentage of the deposit contributed by each of you. This information will not, however, affect the number of signatures necessary for withdrawal.
- (c) **Multiple-Party Account With Right of Survivorship** – (Joint, and not as tenants in common) – At death of any party, ownership passes to the surviving parties. If two or more of you survive the deceased party, you will own the balance in the account as joint tenants with the right of survivorship and not as tenants in common.
- (d) **Multiple-Party Account Without Right of Survivorship** – (Community Property Funds) – Such an account is issued in the name of a husband and wife who intend and agree that any separate property in the account be transmuted (changed) into community property and that all the property in the account, including earnings, be held as community property without right of survivorship. At death the funds are frozen until the estate is probated.
- (e) **Multiple-Party Account with Right of Survivorship** – (Community Property Funds) – Such an account is issued in the name of the husband and wife who intend and agree to fund the account with community property and hold the property with the right of survivorship. At death of either spouse, ownership will vest in and belong to the surviving spouse without respect to any other document(s).

- (f) **Pay-On-Death or Revocable Trust Designation:** If the account is owned by one person, at death of the party, ownership passes to Payable on Death (POD) (or trust) beneficiaries and is not part of the party's estate. If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries acquire the right to withdraw only if: (1) all persons creating the account die, and (2) the beneficiary is living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own the account in equal shares, without right of survivorship. The person(s) creating either of these account types reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the deposit at any time.
- (g) **Corporate, Partnership, and other Organizational Accounts** – We will usually require a separate authorization form designating the person permitted to withdraw and the conditions required for withdrawal from any account in the name of a legal entity such as a partnership, corporation, or other organization. We will honor such authorization according to its terms until it is amended or terminated in writing by the governing body of the organization.
- (h) **Convenience Accounts** – This is a multiple-party account established in the names of the party and an authorized signer. The designation of an authorized signer is for your convenience. The authorized signer does not have any ownership rights in the account.
- (i) **Power of Attorney** – We will accept a power of attorney only if it is the original signed copy, or, alternatively, a certified copy of a power of attorney that has been filed and recorded at the office of the County Clerk. We reserve the right to not accept a Power of Attorney for any reason, or to cease accepting a POA that was previously acceptable.

1.25 DELETING A JOINT-OWNER

The **primary** member may, by written notice to the credit union, change a designation (joint-owner), change the form of the account, or stop, or vary payment under the terms of the account. A joint owner may not delete the **primary** owner/member. A joint owner may neither add nor delete services to the account without written approval from the **primary** member. A joint owner may withdraw any amount of money in the account, including the minimum \$25.00 deposit and close the account.

1.30 PLEDGES

Unless you tell us differently in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any joint account survivor, pay-on-death beneficiary, or trust account beneficiary becomes effective. For example: If one joint tenant pledges the deposit evidenced by this agreement for a debt and the debt has not been satisfied, the debt may be satisfied with the funds in this account.

1.35 STOP-PAYMENTS

A stop-payment order must be given in the manner required by law, must be received in time to give us a reasonable opportunity to act on it, and must precisely identify the number, date and amount of the item, and the payee. We will honor a stop-payment request by the person who signed the particular item, and, by any other person, even though such other person did not sign the item, if such other person has an equal or greater right to withdraw from this account than the person who signed the item in question. Only the person who initiated the stop payment may make a release of the stop-payment request. (See Section 2.11 Automatic Bank Drafts and Section 2.30 Stop Payment Procedures.)

1.40 TELEPHONE TRANSFERS

A telephone transfer of funds from this account to another account with us, if otherwise permitted or arranged for, may be made by the same person(s) and under the same conditions generally applicable to withdrawals made in writing. We restrict the number of transfers from a savings account to another account or third parties to a maximum of six per month, less the number of certain pre-authorized transfers during the month. Other account transfer restrictions are described in section 2.00 Electronic Funds Transfers and elsewhere in this brochure.

1.45 AMENDMENTS AND TERMINATION

We may add to, delete from or otherwise amend our bylaws and any term(s) of this agreement. Changes may be communicated by publishing them in the "Community Connection" quarterly newsletter of the Credit Union. Rules governing changes in interest or dividend rates are provided separately. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We reserve the right to close this account if your membership in this credit union terminates.

1.50 STATEMENTS

You are responsible for promptly examining each account statement. You agree to keep us informed of your current address at all times. (See 1.51 Bad Address & Freezing Accounts.) Notice from us to any one of you is notice to all of you. Any objection that you may have with respect to any item shown on a statement (except electronic fund transfers) will be waived unless made in writing to us and received on or before the forty-fifth (45th) day following the date the statement is mailed.

Except as required by law, or otherwise stated in this Agreement, you agree that TCCU will not be liable for any forged, unauthorized, or altered item drawn on or deposited to your account, any item with missing signatures or endorsements, any missing or diverted deposit, or any other unauthorized withdrawal, error, or discrepancy if you fail to notify us within that forty-five (45) day period, nor will we be liable for any forged or altered item or other withdrawal if the forgery or alteration is not readily ascertainable upon inspection. You agree that no legal action may or will be instituted by you against us seeking the recovery of any alleged loss as a result of the payment of a forged, unauthorized, or altered item or other withdrawal, or as a result of any missing or diverted deposit, or due to any other error or discrepancy unless you have notified us in writing within the period prescribed above. Any

such legal action must be initiated within two years of the date that the statement containing the error was mailed or otherwise made available to you.

In accordance with the Check 21 Act, checks and other payment orders drawn on your account will not be returned to you. Copies of checks are available to you at the Internet website, www.TexomaCU.com or upon your request. You agree that it is your duty to examine statements promptly and your obligation to notify us in the event of any error within 45 days of our mailing the statement.

For information concerning questions or errors relating to electronic fund transfers, please refer to your Electronic Fund Transfers Disclosures (See Section 2.00 Electronic Funds Transfer).

It is your responsibility to ensure that your statements are received. You agree that we are not responsible for the loss or theft of your statements. You agree to notify us immediately if you fail to receive a statement for your checking accounts monthly or a statement for your savings accounts at least quarterly. You agree to notify us no later than 10 days after the end of a month or quarter in which you fail to receive your statement.

You acknowledge that we employ an automated collection procedure in order to more efficiently handle the high volume of items we process. For that reason, our procedures do not include the physical examination of items. You agree to our procedures and acknowledge that any failure to examine an item will not constitute a lack of ordinary care in the payment of any item.

1.51 BAD MAIL ADDRESSES AND FROZEN ACCOUNTS

Members agree to provide us their current valid U.S. Post Office (USPO) mailing addresses at all times. We work to obtain your current address by requesting such information during teller transactions, from the USPO Address Correction information, by calling telephone numbers you listed on your account and other methods. You may ask us to update your address, telephone/cell number and your e-mail address anytime.

We may charge you a fee for USPO address change information because we are forced to pay a fee to the USPO for address change information.

It is vitally important for us to communicate with you, to provide security to you, to reduce losses to you account, to reduce identity theft and other important matters. The credit union may take strong actions to get you to provide us your mailing address.

You agree that we may place a freeze on your ATM Card, your Visa® Check Card or any other accounts until you provide us with a current mailing address.

1.51 E-STATEMENTS

In the event that you elect to receive your monthly and/or quarterly account statements electronically, you do so with the understanding that you will not receive a paper statements, and further acknowledge that the e-statement fulfills all of the state and federal legal requirements of the mailed paper statement. You may elect to stop e-statements at any time, except where it is a requirement of the type of account it is associated with (e.g. Free & Easy Checking, Rewards Checking). Simultaneous receipt of paper and e-statements is not currently available to members. In the event this service becomes available, and you require both mailed paper statements and e-statements simultaneously, you will be charged a fee. (See Account Handbook, Section 7.0, Fee Schedule)

1.55 TRANSFER OF ACCOUNT TO ANOTHER PARTY

This account may not be transferred or assigned to another party, except as required by law.

1.60 DIRECT DEPOSITS

If, in connection with a direct deposit plan, we deposit any amount in this account which should be returned to the Federal Government for any reason, you authorize us to deduct the amount to the Federal Government from this account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

1.65 TEMPORARY ACCOUNT AGREEMENT

If this option is selected, this is a temporary account agreement. Each person who signs in the space designated for signatures on the signature card (except as indicated to the contrary) may transact business on this account. However, we may in the future restrict or prohibit further use of this account if you fail to comply within a reasonable time with the requirements we have imposed.

1.70 RESTRICTIVE LEGENDS

We are not required to honor any restrictive legend on items you write unless we have agreed to the restriction in writing and signed by an officer of the credit union. Examples of restrictive legends, such notices as: *"must be presented within 90 days"* or *"not valid for more than \$100,000."*

1.75 SIGNATURES & FACSIMILE SIGNATURES

You authorize us to recognize any of the signatures set forth on the Application in the payment of funds or the transaction of any business for your accounts. You authorize us to pay a check presented for payment even though the signature(s) thereon do not correspond exactly with the signature(s) on the Application. We are not obligated to honor a check unless the signature(s) do correspond exactly with the signature(s) on the Application.

We may recognize facsimile signatures, signatures imprinted by mechanical devices or any authentications, including orders to pay that are received electronically or telephonically. We may accept and pay drafts which are submitted by third parties to whom you have given or otherwise disclosed your account number. You agree that we may act upon and rely upon documentation, correspondence, or other instructions with respect to your accounts which we receive by way of electronic or facsimile transmission including account agreements, requests to modify accounts, loan agreements, and any other order with respect to your accounts, and you agree to such verification procedures as we may implement from time to time. You agree that we may maintain copies of account records, including copies maintained electronically, in lieu of any original and that any such copies will be considered an original record for any purpose including admissibility in evidence as an original record before any court or administrative agency.

1.80 CREDIT REPORTS

You agree and authorize us to check your credit and employment history and to request and use credit reports when considering any application to open an account or apply for related financial services and in connection with review or collection of your account.

1.85 WIRE TRANSFERS

You agree to provide original signatures as opposed to facsimile signature or signature imprinted by mechanical devices for any wire transfer of \$2,001.00 or more.

1.90 RIGHT TO REPAYMENT OF INDEBTEDNESS

You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons or legal entity's right to withdraw. If the debt arises from a note, any due and payable debt includes the total amount of which we are entitled to demand payment under the terms of the notes at the time we charge the account, including any balance then due for which we properly accelerate under the note.

Our right to repayment does not apply to this account if:

- (a) it is an Individual Retirement Account or other tax-deferred retirement account, or
- (b) the debtor's right of withdrawal arises only in a representative capacity, or
- (c) it is a loan obtained under the Texas Constitution Equity Loan Article XVI, Section 50(a) (b), or subsequent applicable laws.

We will not be liable for the dishonor of any check or drag when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of the exercise of our right to repayment.

1.95 POWER OF ATTORNEY (POA) AGENTS

An agent is someone whom you authorize to have access to this account on your behalf. This may be done by allowing your agent to sign on the signature card as an authorized signer of a Convenience Account or by use of a separate form, such as a power of attorney. An agent is not an owner of the account. Among other acts, the agent may deposit, withdraw or close the account.

We may refuse to accept an agent, or an agency account. We may refuse to accept any Power of Attorney with or without cause. We, however, have no duty or agreement whatsoever to monitor or ensure that the acts of the agent are for your benefit. A credit union officer of management must review any POA submitted for function, use and clarity. Management may take one or more days to approve or deny use of a POA.