

LAREDO FEDERAL CREDIT UNION

MEMBERSHIP AND ACCOUNT AGREEMENT

In this Membership and Account Agreement ("Agreement" or "Account Agreement"), the words "you," "your," and "Party" mean any and all persons or entities who sign a Membership Application or any other application (collectively, an "Application") in connection with the opening of any Account with the Credit Union named above, any such person or entity who maintains an Account with us, any Joint Owner, and any other person or entity authorized to use or having access to any such Account. "Owner" means each person who owns the Account, including any Joint Owners. "Primary Member" means the Account Owner first listed on the Application and under whose taxpayer identification number the Account is opened. The words "we," "us," "our," and "Credit Union" mean the Credit Union named above.

In this Agreement and in the Truth-in-Savings Account Disclosures and Rate and Fee Schedules, the term "Savings Account" may be used to describe your Share Accounts with us, and the term "Checking Account" may be used to describe your Share Draft Accounts with us.

You authorize us to establish one or more Accounts for you and on behalf of any other persons designated in your Application, including but not limited to any Savings Account, Checking Account, Money Market Account, or Term Share Certificate Account. By opening or using any Account with us, you agree to be bound by the terms of this Agreement whether you are acting in your individual capacity, in a fiduciary capacity, or in your capacity as an officer, agent, or representative of any business entity or association with regard to any such Account. You also acknowledge receipt of and agree to be bound by our Truth-in-Savings Account Disclosures and Rate and Fee Schedules, as amended from time to time, and to conform to our rules, regulations, bylaws, policies and procedures now in effect and as amended or adopted hereafter. In case of any conflict between the terms of this Account Agreement and the Truth-in-Savings Account Disclosures and Rate and Fee Schedules, the terms appearing in the Truth-in-Savings Account Disclosures and Rate and Fee Schedules will control. The Truth-in-Savings Account Disclosures and Rate and Fee Schedules are incorporated by reference into this Agreement. This Agreement is incorporated into and made a part of any Application or other document that you execute in connection with the opening or use of any Account or service. Unless any other agreement you have with us specifically provides otherwise, this Agreement will control in the event of any inconsistency.

ACCOUNT OWNERSHIP

Account selection is made on the Application. The type of Account you select may determine how property passes on your death. Your Will may not control the disposition of funds held in some of the following Accounts.

1. Single Party Account. Under this type of Account ownership, the sole Party to the Account owns the Account. If you open a Single Party Account without a Payable on Death (P.O.D.) designation, then upon your death, ownership of the Account passes as part of your estate under your Will or by intestacy. If you make a P.O.D. designation and the P.O.D. beneficiaries survive you, then upon your death, ownership of the Account passes to the P.O.D. beneficiaries of the Account and the Account does not pass as part of your estate.

2. Joint or Multiple Party Account with Right of Survivorship. If an Account is opened by two or more Owners, or if one or more Owners are added to an Account after the Account is opened, the Account will be a Joint or Multiple Party Account with Right of Survivorship. All funds deposited into any such Account, including any earnings thereon, shall be owned by the Primary Member jointly with all other Owners who have signed the Application or other Account authorization, with right of survivorship. A survivorship designation may be ineffective unless signed by all Owners of the Account. On the death of an Owner, all sums in the Account on the date of the death vest in and belong to the surviving Owner(s) as their separate property and estate, subject to any lien we have for the deceased Owner's obligations to us and regardless of whether any of the surviving Owners have consented to such lien.

The Owners of a Joint or Multiple Party Account own the Account in proportion to their net contributions to the Account. Payment of any sums to any Party shall be valid and discharge the Credit Union from any and all liability for such payment. Except as otherwise provided in this Agreement, the Credit Union may accept instructions from any Party or act at the request of

any Party with regard to any such Account without the consent of any other Party to the Account. The Credit Union may require the consent of one or more Owners before permitting any Party to take certain actions. Except as provided in this Agreement, each Owner authorizes all other Account Parties to act on his or her behalf with respect to the Account and to endorse any instrument payable to him or her for deposit to any such Account. Without the consent or joinder of any Owner and without regard to the interest in the Account of any Owner, any Party to the Account may (i) make deposits to or withdraw funds from the Account, (ii) place stop payment orders with respect to any Account items drawn by any Account Party, (iii) pledge all of the shares and dividends in eligible Accounts to secure any indebtedness owing to us, or (iv) designate an Account to provide overdraft protection for any other Account, except that non-Owner Parties are not authorized to perform the actions described in (iii) and (iv) above. In the event that any Account may be accessed by means of an electronic fund transfer, including the use of an ATM or debit Card issued in connection with the Account or the use of any telephone, computer, or mobile home banking or Account access program, each Owner grants to each Party actual authority to initiate any such transfer, to use any such ATM or debit Card issued, and to use any Personal Identification Number ("PIN") issued in connection with any such Card, telephone, computer, or mobile home banking or Account access program.

Any Owner in whose name a Joint or Multiple Party Account is opened may, without notice to any other Party of such Account and upon written notice to the Credit Union in such form as the Credit Union may require, change the form of the Account, add parties to the Account, remove any parties from the Account, or stop or vary payment under the terms of the Account. Any such removal action by an Owner will terminate any interest that the removed Party may have in such Account. At its option, the Credit Union may require that an Account be closed and a new Account opened in lieu of permitting an Owner to remove any other Party from the Account, or the Credit Union may require the consent of any or all Owners prior to acting upon any written notification or instruction by an Owner to remove a Party or perform any other action with respect to an Account. No Party may withdraw funds from the Primary Member's primary Share Account below the par value of one share. Except for the Primary Member, no other Owner or Party to the Account may close the Primary Member's primary Share Account. The Parties agree that the Credit Union may pay funds in any Joint or Multiple Party Account to or on the order of any Party, regardless of whether any other Parties are incapacitated or deceased. The Credit Union makes no representation concerning the legal consequences or effectiveness of the survivorship rights described in this Agreement, including any consequences arising out of the community property laws of any state, and you agree to hold us harmless from any loss or liability in connection with any survivorship designation. You understand that you should consult with a qualified attorney if you have any question regarding the validity, effectiveness, or fitness of any such survivorship designation for any purpose.

3. Payable on Death (P.O.D.) Account. A P.O.D. Account is an Account payable on request to one or more Owners during their lifetimes and upon the death of the last of those Owners, payable to one or more P.O.D. beneficiaries named in the Application executed in connection with the Account.

The Owner(s) agree that the persons named as P.O.D. beneficiaries in the Application, whether one or more, are designated as P.O.D. beneficiaries. During the Owner(s) lifetime, all funds paid into or deposited into the Account designated, including any earnings thereon, shall be owned by the Owners, and payment may be made upon an Owner's request, or the request of any other Party to the Account. Upon the last Owner's death (the death of the last Owner to survive), each P.O.D. payee agrees that, subject to applicable law, all such funds shall be owned by the P.O.D. payees surviving, with right of survivorship. At our option, payment may be made at the request of any named P.O.D. beneficiary then living, and any payment made upon the request of any surviving P.O.D. beneficiary discharges us from any and all liability to that P.O.D. beneficiary and any remaining P.O.D. beneficiaries or their heirs, executors, and personal representatives. You, your heirs, executors, and personal representatives, agree to defend, indemnify, and hold the Credit Union harmless from any claim asserted by any person or estate as a result of the payment of the Account funds to any P.O.D. beneficiary. You understand and agree that a P.O.D. designation shall be ineffective with respect to any Account maintained as an Individual Retirement Account. You understand and agree, further, that a P.O.D. designation may be ineffective unless signed by all of the original Account Owners. We make no representation concerning the legal consequences or effect of any P.O.D. designation, and you understand that you should consult a qualified attorney if you have any questions regarding the validity, effectiveness, or fitness of any such P.O.D. designation for any purpose.

4. Accounts for Trusts. At our option, we may issue shares or receive deposits in a revocable or irrevocable trust subject to such membership requirements as we may impose from time to time in keeping with applicable law. If you request that we open an Account in the name of a trust, you agree that we are authorized to release the funds in any such Account upon the signature of any Trustee. You agree that if we make payment to any Trustee or Successor Trustee, or at the direction of any one of the Trustees or Successor Trustees named, that payment shall be valid and shall discharge us from any liability for the sums paid. Any Trustee authorized to sign on any such Account shall be subject to the terms and conditions set forth in this Agreement and any other agreement governing any such Account. You agree that we shall have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations set forth in this Agreement, and that we shall serve solely as a depository for the trust funds. You and any Trustee agree to save, indemnify, defend, and hold us harmless from any claim, demand, suit, or other charge by any person arising out of or resulting from the establishment, maintenance, and transaction of any business related to the trust and any Account established for the trust.

5. Minor Accounts. Subject to our policies, we may choose to open an Account for a minor, receive payment or pay withdrawals on the Account by or for a minor, and act in any other matter on the order of the minor without regard to the minor's legal capacity, and we are discharged from liability to the extent of any such actions. We may require that a minor Account be opened as a Joint or Multiple Party Account with an adult Joint Owner who will be jointly and severally liable on the Account. Unless a parent or guardian is a Joint Owner on a minor Account, the parent or guardian shall have no rights to access or obtain information about the Account.

When we allow a minor to open Joint or Multiple Party Account with an adult Joint Owner, we will not allow the minor to make withdrawals from the Account without the adult's written consent. When the minor reaches the age of majority, we will not change the ownership or form of the Account without the written consent of all Account Owners. A Checking Account may not be opened in the name of a minor under 18 years of age.

6. Uniform Transfers to Minors Accounts. If you have indicated in the Application that an Account is established under the Texas Uniform Transfers to Minors Act ("TUTMA"), the Party signing any such Application shall be a custodian, and the Accounts will be established by such custodian under the Texas Uniform Transfers to Minors Act for the benefit of the minor named. A TUTMA Account is owned by the minor, and amounts deposited into the Account constitute an irrevocable gift to that minor. The custodian named is the sole Party entitled to access the Account for the minor's benefit. The Credit Union has no duty to (i) determine if the person designated or acting as custodian has been duly designated, (ii) determine if an act of the custodian is in accordance with or authorized by the Texas Uniform Transfers to Minors Act, (iii) question the validity or propriety of any instrument or instructions executed or given by a person acting as a donor or custodian, or (iv) oversee the application by a custodian of money or other property paid or delivered to the custodian.

7. Accounts for Guardianships and Estates. At our option we may issue shares and accept deposits in the name of (a) a ward on whose behalf a Guardianship has been established under applicable law, or (b) the estate of a deceased member being administered under applicable law. Any guardian or estate representative (whether executor, administrator or otherwise) authorized to sign on any such Account shall be subject to the terms and conditions set forth in this Account Agreement and any other agreement governing any such Account. You agree that we will have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations set forth in this Agreement and you agree that we will not be liable for any loss occasioned by the fraud, negligence, or misapplication of funds by the guardian or estate representative. If we are presented with Letters of Guardianship, Letters Testamentary, or Letters of Administration valid on their face, you agree that we will have no further duty (a) to determine if the person appointed guardian or estate representative has qualified or continues to be qualified as guardian or as estate representative, (b) to determine if an act of the guardian or estate representative is in accordance with or authorized by the Texas Estates Code or other applicable law, (c) to question the validity or propriety of any instrument or any instructions executed or given by a person acting as a guardian or estate representative, or (d) to oversee the administration by a guardian or estate representative of money or other property paid or delivered to him or her. You agree that we may rely upon Letters of Guardianship, Letters Testamentary, or Letters of Administration that are valid upon presentment, that we may continue to rely upon the same without inquiring into their expiration or renewal, and that we may assume their renewal unless notified in writing to the contrary. Further, you agree that we will have no obligation to recognize or honor any such Letters that we

know to have expired without renewal pursuant to the provisions of the Texas Estates Code or other applicable law. If we receive notice of expiration without renewal, we will have no obligation to honor any check that is presented for payment or to honor any requests for withdrawal of funds from the Account of a ward or an estate until we receive renewed Letters or another order issuing out of a court of competent jurisdiction.

8. Representative Payee Accounts. At our option, we may issue shares and accept deposits in Accounts established in a member's name and for the member's benefit by an individual appointed as a Social Security, Railroad Retirement, or Veterans Administration "Representative Payee." Funds in a Representative Payee Account are owned by the Primary Member beneficiary. Only the Representative Payee, however, shall have direct access to the funds on deposit. If an Account is opened, you (whether as beneficiary or as Representative Payee) agree that we may accept deposits including direct deposits from the Social Security Administration, Railroad Retirement Board, and Veterans Administration, that we may permit withdrawals from the Account by the Representative Payee through such means as we may prescribe from time to time, and that we may restrict access to the Account by the beneficiary. You agree that the Representative Payee alone will be responsible for compliance with the Rules of the Social Security Administration, Railroad Retirement Board, and Veterans Administration governing such Accounts. You agree that if we make payment to or at the direction of a Representative Payee, any such payment shall be valid and shall discharge us from any liability for the sums paid. You agree that we may rely upon any appointment of a Representative Payee that is valid on its face, that we will have no fiduciary responsibility or obligation in connection with any such Account beyond our obligations set forth in this Agreement, and that we will have no duty to oversee the application by a Representative Payee of any funds withdrawn from the Account. You agree that, if any deposit to an Account is subsequently reversed, whether by the Social Security Administration, Railroad Retirement Board, Veterans Administration or otherwise, we may transfer funds in other eligible Accounts held by the beneficiary or the Representative Payee in order to cure any overdraft that may occur as a result of such reversal. You agree to save, indemnify, defend, and hold us harmless from any claim, demand, suit, or other charge by any person or entity arising out of or resulting from the establishment, maintenance, and transaction of any business related to a Representative Payee Account.

CHECKS AND WITHDRAWALS

1. Payment Authorization. You authorize us to pay checks signed by you and charge the payments against the applicable Account. Only checks or other withdrawal methods approved by us may be used to withdraw funds from your Account. You agree that it will be your responsibility to verify the accuracy of information appearing on any checks, deposit slips, or other forms, and you agree that we will not be liable for any printing errors on any such forms. All checks, withdrawal forms, deposit slips and transfer instructions used in connection with any Account must be on forms that we provide or otherwise expressly approve in writing. You agree to complete checks using a non-gel, black or dark blue ink that will readily transfer during any imaging of the check. We will not be liable, and you agree to indemnify us and hold us harmless, if you fail to follow the requirements in this paragraph. If a non-member requests to cash a check drawn on your Account, we may require the non-member to present acceptable identification and, at our option, place a fingerprint on the check. If the non-member refuses to comply with our requirements, we may refuse to accept the check, and in such case you agree that we will not be liable for wrongful dishonor. In the event that the applicable Account has sufficient available funds on deposit to cover one or more but not all of the checks and other withdrawal orders presented during any given business day, we may honor those items and allow those withdrawals in any order that we may choose in our sole discretion, including processing withdrawal orders and checks payable to the Credit Union first and dishonoring or refusing any item or withdrawal order for which there are insufficient funds available thereafter. We will generally process checks and all other transaction withdrawals and transfers, such as those made by ATM, point of sale, mobile or computer, and preauthorized payments, in the order in which they are received, but we may choose to process transactions in any order in our discretion, and we may change the order in which we process transactions at any time, subject to applicable law. To avoid fees, you should ensure that your Account contains sufficient available funds at all times to pay each of your transactions. In making distributions upon the death or disability of any Party, you agree that we may rely upon the form of the Account at the time of any such death or disability.

2. Stale Items. We are under no obligation to pay a check which is presented for payment more than six months from its date. In the event that a

check drawn on your Account is payable, by its terms, within a stated period of time, we are under no obligation to pay that check if it is presented after the expiration of that time period.

3. Overdrafts and Overdraft Protection. You agree to maintain available funds in your Accounts at all times sufficient to pay any withdrawal order (whether oral, written, or otherwise) or any item presented for payment against the applicable Account. In this Agreement, the terms "available funds" and "available balance" mean the funds or balance in the applicable Account after all check deposit holds, holds resulting from debit card authorizations, and any other holds placed on the Account are subtracted from the actual Account balance. We are under no obligation to pay any order or item, (i) the amount of which exceeds the available balance in the Account upon which the order was made or the item was drawn, or (ii) which would exceed limitations imposed upon the applicable Account under our policies and procedures, or under applicable law including Federal Reserve Board Regulation D. In the event that we do pay any such order or item, we will not waive our right to dishonor any subsequent orders or items presented. If we do pay an order or item, the amount of which exceeds the available balance in the Account upon which it is drawn, or if any order or item deposited to your Account is subsequently returned and charged back to your Account creating an overdraft, you agree to pay us immediately the amount by which that Account is overdrawn together with any fees that we may assess. You also authorize us to deduct any overdraft from your next deposit (including a direct deposit of Social Security or other government benefits), to withhold or to transfer funds from any other Account to which you are a Party in amounts sufficient to cover any overdraft and overdraft fees, or to use any other collection remedy available to us at law.

We determine whether your Account is overdrawn based on the available balance. The available balance may be different than the actual balance because it considers funds held on your Account. Funds subject to holds are not available to pay checks, ATM/Debit Card, electronic ACH, and other transactions presented for payment. Holds may be placed on Account funds for various reasons, including without limitation, holds on check deposits pursuant to our Funds Availability Policy, preauthorization holds placed by merchants for signature-based Debit Card transactions, and other general Account holds. Please refer to the Electronic Fund Transfers Agreement and Disclosures for more information about Debit Card preauthorization holds. You may incur overdraft or return fees if your available balance is not sufficient to pay transactions when they are presented. To avoid fees, you must record your transactions and closely monitor your available balance so that you have a sufficient available balance at all times to pay your transactions. In addition to contacting us directly, you can check your available balance on the Home (Online) Banking and Mobile Banking systems, the Audio Response system, and at most ATMs. You must be enrolled in an electronic fund transfer service in order to check your available balance through that service.

In the event that you write a check or take any other action that would result in an Account becoming overdrawn, and if you have requested and been approved for automatic overdraft protection from another Account of yours, such check or action taken shall be deemed to be a request by you to us to transfer available funds from your Savings Account or any other eligible Account you have designated in increments that we deem sufficient in order to pay such check or otherwise remedy the overdraft, together with any service charge we may impose. We will use our best efforts to transfer funds to your Checking Account from your Savings Account(s) in the manner in which you have directed in the Application. A fee may be charged for overdraft protection as set forth in the Fee Schedule. If sufficient funds are not available, then any such order or item presented may be returned to the payee due to insufficient funds and a charge will be made to your Account in such amounts as we may establish from time to time. Each Party to any of your Accounts will be jointly and severally liable for overdrafts caused by any other Party or Parties to such Account. In the event that the Credit Union reasonably believes that your use of your Account or Accounts is abusive due to excessive checks drawn on insufficient funds, excessive activity, or otherwise, we may limit or terminate certain services or your Account may be closed.

4. Signatures. You authorize us to recognize any of the signatures set forth in the Application in the payment of funds or for the transaction of any business for your Accounts. We are not responsible for refusing to honor a transaction if believe the authorizing signature is not authentic. You authorize us to pay a check presented for payment even though the signature or signatures thereon do not correspond exactly with the signatures on the Application. We are not obligated to honor a check unless the signature or signatures do correspond exactly with the signatures on the Application. We

may recognize electronic signatures, facsimile signatures, signatures imprinted by mechanical devices, or any other type of signature or method of authentication, including orders to pay that are received electronically or telephonically. You agree to indemnify and hold us harmless from any losses resulting from our honoring an item which bears or purports to bear a facsimile signature resembling a facsimile signature on file with us, regardless by whom or by what means the actual or purported signature was affixed to the item.

5. Postdated, Incomplete and Conditional Items. You agree to hold us harmless from any and all loss and liability that we may incur due to our inadvertent payment of incomplete or postdated items, items endorsed "without recourse," or conditional items, nor do we have any duty to comply with any notice of postdating we receive. You agree that we will have no duty to discover or comply with postdated, incomplete, or conditional items. You agree that we may disregard any information on any check or draft other than the amount of the item, the identity of the drawee bank, the signature of the drawer, and the magnetically encoded information, whether or not that information is consistent with any other information on the item. You agree that we may decline to accept, process, or pay any item or order that, in our estimation, is ambiguous or otherwise unclear in its terms. You also agree that, at our option, we may use our best efforts to resolve any such ambiguity and you agree to release and hold us harmless from any and all loss and liability that we may incur or that may arise in connection with our attempts to resolve any such ambiguity.

6. Wire Transfers, Automated Clearing House (ACH) Transactions, and Other Payment Order Transactions.

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

(b) **Notification.** Under the NACHA Rules we are not required to give you next-day notice of the receipt of an ACH entry and we will not do so, nor will we give next-day notice of the receipt of a wire transfer. However, we will notify you of these transfers in your Account Statement.

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

(d) **Identifying Account Numbers.** You agree that we may rely upon any identifying Account number given to us in connection with any ACH or wire transfer, even if the number identifies a person different than the named beneficiary, or a financial institution different from the named financial institution. You agree that neither we nor any other institution involved in the transaction has a duty to determine whether the number given matches the intended beneficiary or the named financial institution. If we receive a payment order for you that does not specify an Account or an Account suffix, you agree that we may deposit the payment into any Account of yours, including a Multiple Party Account.

(e) **Our Liability; Interest Payable.** We may be responsible for your direct expenses if we fail to exercise ordinary care in carrying out your instructions in connection with a wire transfer transaction. In no event, however, will we be liable for any special, indirect, exemplary, or consequential damages (including lost profits) of any kind. We are not required to pay interest on any amount we may owe to you due to an unauthorized wire transfer arising out of our error unless you exercise ordinary care to discover the unauthorized transfer promptly and advise us of the relevant facts within the time period set forth below in the Account Statements section. Any rate of interest that we might be obligated to pay to you as a matter of law for a delay or incorrect transfer arising out of our error will be the lower of the federal funds rate at the time of the correction, or the dividend rate which we pay on the Account to or from which the funds transfer should have occurred.

(f) **Security Procedures.** We reserve the right to refuse acceptance of any payment order. You agree that we may verify the authenticity of payment orders using our security procedures in place at the time of any such order, which may include a combination of signature verification, call back procedures, the use of identifying words or numbers, and identification via

employee ID, valid driver's license, or other photo identification document. You agree that these procedures are commercially reasonable in view of your particular circumstances and the type and frequency of payment orders contemplated by you. If you do not agree to our security procedures, you must notify us in writing. In such event, we shall have no obligation to accept any payment order from you or any other authorized Parties to the Account until you and the Credit Union agree, in writing, on an alternate security procedure.

(g) **Cutoff Times.** International and domestic transfers received after the posted cutoff time set forth in the Fee Schedule on each weekday we are open which is not a holiday may be treated as having been received on the next banking day and processed accordingly. We must receive amendments to payment orders at least three business days before the scheduled execution date of the payment order.

(h) **Force Majeure.** We are not liable for a failure to execute a payment order according to your instructions if an interruption in communication facilities or some other circumstance beyond our control such as fire or flood prevents the transfer, despite reasonable precautions we have taken.

(i) **General.** You agree that only our forms, methods, and procedures may be utilized. You also agree that in the event of an error, we may correct any such error without prior notice or approval by you. If we are required to reimburse the U.S. government for a benefit payment made to your Account by direct deposit, we may deduct all or part of the amount owed from any eligible Account on which you have an ownership interest, subject to applicable law. Any authorization you make to initiate paperless debit or credit entries will remain in effect until we receive written notice from you that your authorization has been revoked, in a manner and in time to provide us with a reasonable opportunity to act on it.

7. Stop Payment. You may stop payment of items drawn on your Accounts. You agree to hold us harmless from any claim, loss, damage or expense that we may suffer or incur, including attorney's fees, by virtue of our refusing payment of any item on which you have stopped payment, as well as for payment of any item after your stop payment order has expired. A stop payment order will be effective for six months and may be renewed upon a request made in writing to us. We are not required to notify you of the expiration of a stop payment order or a renewal of any such order. A stop payment order, a renewal of any such order, or a revocation of any such order shall not be effective unless it is delivered to us in writing during regular business hours and until we have had a reasonable opportunity to act on it. We will not be liable for the payment of an item over a stop payment order if the order is received after 10:30 a.m. on the next banking day after the banking day on which we received the item. Due to limitations of computer systems, items subject to stop payment orders can be intercepted only if the precise amount, date, check number, name of payee, and any other information that we may reasonably require is provided. If that information is not provided exactly as it appears on the item, we will not be responsible if we are unable to stop payment. If the order is made orally, we have no obligation to honor it. If we do honor an oral stop payment order, it will only be binding for 14 days after which it must be renewed in writing. Any stop payment order, renewal, or revocation will incur a charge which is set forth on the Fee Schedule. You agree that we may honor a stop payment order, revocation, or renewal if made by the person who signed the check to be stopped or any other person who has signed the Application or is otherwise authorized to transact business relating to the Account. You agree that we will not be liable for any inadvertent payment of any item, notwithstanding a stop payment order, if we have used ordinary care and followed our usual practices in handling such an order. If an item is inadvertently paid over a valid stop payment order, due to our failure to exercise ordinary care, we may be liable to you for any loss you suffer as a result of that inadvertent payment. You agree, however, that it will be your responsibility to establish any such loss. You agree that we will never be liable for more than your actual loss and we will never be liable for any consequential damages. If we do recredit your Account, you agree to take whatever action we deem necessary to transfer to us all of your rights against the payee or holder of the item and to assist us if we take legal action against the payee or any other person. For information concerning your right to stop payment of certain electronic fund transfers, please refer to the Electronic Fund Transfers Agreement and Disclosures that accompany this Agreement. You may not stop payment of Cashier's Checks or Credit Union Official Checks issued by us at your request. You may not stop payment of transactions initiated through the use of an ATM/Debit card or similar device used at an ATM or a point-of-sale terminal.

8. Credit Union Liability; Indemnity. Except for losses caused by our failure to exercise ordinary care or our failure to act in good faith, you agree that we will not be liable for any action or inaction regarding the payment or

non-payment of items, collection of items, other withdrawals or the transfer of funds in satisfaction of overdrafts. In this Agreement, "ordinary care" means observance of banking industry practices that do not vary unreasonably from the general banking practices prevailing in the area we service. Unless otherwise provided by law, you agree that we will never be liable for any indirect, special, or consequential damages arising out of or related to our obligations under this Agreement, even if we have been advised of the possibility of such damages. If we pay an item over a forged drawer's signature, we will not be liable for more than the face amount of the item, subject to applicable law. Except for our acts and omissions caused by our (a) failure to exercise ordinary care, (b) willful misconduct, or (c) failure to follow this Agreement, you agree to indemnify, defend, and hold us and our officers, employees, and agents harmless from and against any losses, claims, or expenses, including attorney's fees and costs of litigation, arising out of or related to the services provided under this Agreement, subject to applicable law. You also agree to hold us harmless from any and all claims, expenses, losses, and damages arising out of our good faith reliance on any instructions provided by you. We will not be liable for the acts or omissions of a third party not within our control, and we will not be liable for any failure or delay in performance under this Agreement that is related to or caused by circumstances beyond our control.

DEPOSIT OF ITEMS

1. Handling of Items. We act only as a collecting agent for any items deposited. Any deposit that we accept will be provisional and will be subject to subsequent payment verification. Items drawn on financial institutions located outside of the United States are handled on a collection basis only. Just because we have made funds from a deposited check or other item available for withdrawal does not mean that the item is "good," has "cleared," or has been paid by the paying bank. It is possible that a deposited item will be returned unpaid months after we have made the funds available to you and you have withdrawn the funds. You are responsible for all items returned on your Account, and you acknowledge that no one, including our employees, can guarantee that a check or other item you deposit will not be returned. We are not responsible for any deposit or other transaction initiated by mail until the item or order is actually received. We will not be responsible for any deposit or other transaction made through the use of our night depository or any other unattended facility until the item or items are actually removed from the depository or facility by our personnel. We will not be responsible for any deposit or other transaction during the course of delivery to us by any courier or other third party until the items or orders are actually received by our personnel. We have the right to endorse all checks payable to you for deposit into your Account. We will not be liable for the negligence of any correspondent bank or institution nor for any loss incurred in transit when items are forwarded to correspondents. We will not be liable for any delay as a result of any interruption of communication facilities or any other circumstances beyond our control. You agree to bear the risk of any change in the exchange rate with respect to any items that may be payable in foreign currency. You agree that we may charge back any item before payment, without notice, whether the item has been returned or not. You agree that, if a check that has been deposited to your Account or cashed by you at the Credit Union is subsequently returned based upon a breach or alleged breach of any transfer warranty, presentment warranty, or otherwise, we may charge back the amount of any such item to your Account at any time without notice. You agree that we may resubmit an item that has been returned to us for payment, and you waive notice that an item has been dishonored or charged back against your Account. You also agree that, if we are charged a fee by any other institution or incur an expense in connection with any of your Accounts, that fee or expense may be charged to your Account.

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 generally do not provide for examination of items. You acknowledge and agree that reasonable commercial standards do not require us to sight-review every check presented and that any failure to sight-review shall not constitute a lack of ordinary care in the payment of any item.

2. Endorsement Standards. The area from the trailing edge of a check to 1.5 inches from the trailing edge of a check is reserved for the payee's endorsement. The trailing edge of a check is defined as the left side of the check looking at it from the front. You and all other endorsers must make your endorsement within this prescribed area. If any endorsement or other writing that you or any other endorser makes causes any error or delay in the processing of the item, you agree that you will be liable for any loss that we incur as a result of that delay or error, and you agree to hold us harmless from any such loss.

3. Right to Refuse Deposit. If you request that we accept a substitute check or a check for a deposit that has already been deposited at a financial institution but returned, we are under no obligation to accept any such check for deposit. If we do, however, you agree to hold us harmless from any loss or liability, including consequential damages, attorney's fees, and expenses that may arise because of our acceptance of the item. In any event, in our discretion, we may refuse any deposit, limit the amount which may be deposited, accept all or any part of a deposit for collection only, return all or any part of any deposit, or close the Account subject to applicable regulations.

4. Deposit Verification. If a deposit is made to your Account and we subsequently determine that the deposit or the amount of the deposit initially credited was incorrect, we may correct any such error and make corresponding adjustments to your Account in order to reflect the correction.

GENERAL PROVISIONS

1. Account Security. You agree to exercise precautions to safeguard your identity, your Accounts, and your Account information. You agree never to give your personal information or Account information to anyone you do not know or whose identity you cannot verify. If you give your personal information to someone and that person uses your information to access your Account, you agree that such use will be deemed an authorized use for which you will be responsible. We will never contact you by telephone, e-mail, or text messaging and ask you to give us your personal information or Account information, including user names, personal identification numbers, and Account numbers. Do not disclose your personal information or Account information to unknown persons through those communication channels for any reason. You agree to remain vigilant for phishing and other fraudulent scams and notify us promptly if you become aware of or suspect fraudulent activity involving your identity, your Accounts, or the Credit Union. If you receive an email that appears to have been sent by the Credit Union and asks for personal or Account information, do not respond to the email and notify us immediately at the telephone number appearing at the beginning of the Electronic Fund Transfers Agreement and Disclosures. You may also find our telephone number on our website at www.laredofcu.net. If you fail to exercise reasonable care to protect your identity and safeguard your Accounts, we will not be responsible except as required by law.

2. Taxpayer Identification Number and Backup Withholding. The Internal Revenue Service (IRS) requires most recipients of dividend, interest, and other payments to give taxpayer identification numbers to credit unions and other payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes. Credit unions and other payers must be given the numbers whether or not recipients are required to file tax returns. Credit unions and other payers generally must withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number. Certain penalties may also apply. In the event that (i) you have been notified by the IRS that you are subject to backup withholding due to payee under reporting and you have not received a notice from the IRS that the backup withholding has been terminated or, (ii) you provide us with an incorrect taxpayer identification number, the Credit Union is required to withhold payment, in part, of dividends or interest owing to you in amounts determined by the IRS and to pay interest or dividends withheld to the IRS.

3. Inactive Accounts. An Account is considered inactive under Texas law if for more than one year there has not been a debit or credit to the Account because of an act by you or your agent (other than us) and you have not communicated with us. We may charge a fee as set forth in the Fee Schedule if there has been no activity on your Account by you for more than six months, and you authorize us to transfer funds from any eligible Accounts of yours to pay inactivity fees. An Account is presumed abandoned under Texas law if (i) the Account has been inactive for at least three years from the date of your last transaction on the Account or your last correspondence with us, and (ii) we are unable to locate you. If an Account is presumed abandoned, we are required to report the abandonment and to pay the funds in the Account to the State of Texas.

4. Account Statements. You are responsible for promptly examining each Account statement. Any objection that you may have with respect to any unauthorized withdrawal, payment order (including a wire transfer), or any item or deposit shown on a statement (except electronic fund transfers and substitute checks) will be waived unless made in writing to us, and received on or before the 33rd day following the date the statement is mailed or is otherwise made available, subject to applicable law. If you have an issue relating to a substitute check, you must notify us in writing within 60 days of the date we mailed or delivered the substitute check in question or the

Account statement showing the substitute check posted to your Account, whichever is later. If you are unable to make a timely claim relating to a substitute check because of extraordinary circumstances, we will extend the time period. You agree that we will not be liable for any unauthorized withdrawal, any payment order, any forged, unauthorized, or altered item drawn on or deposited to your Account, any item with missing signatures or indorsements, any missing or diverted deposit, or any other error or discrepancy if you fail to notify us within that 33-day period (60 days for substitute checks), nor will we be liable for any forged, unauthorized, or altered item if the forgery or alteration is not readily ascertainable upon inspection. We also will not be liable for subsequent unauthorized withdrawals by the same wrongdoer if you fail to notify us of the first unauthorized withdrawal within the 33-day period, even if the subsequent unauthorized withdrawals are reported promptly. You agree that no legal action may or will be instituted by you against us seeking the recovery of any alleged loss as a result of the payment of a forged, unauthorized, or altered item, or as a result of any missing or diverted deposit, or due to any other error or discrepancy unless you have provided us with such notice within the period prescribed above and any such legal action shall have been instituted within two years after the date that the statement containing any such error was mailed or otherwise made available to you.

Unless we adopt alternative procedures from time to time, checks drawn on your Account will not be returned to you and copies of checks will be made available to you upon your request, subject to any fee disclosed in the Fee Schedule. That notwithstanding, you agree that your duty to examine statements promptly and your obligation to notify us in the event of any error is not waived or diminished in any respect by our retention of checks drawn on your Account. For consumer Accounts, please refer to your Electronic Fund Transfers Agreement and Disclosures to determine your rights and obligations in the event of unauthorized electronic fund transfers or other errors in connection with such transfers.

You will receive an Account statement monthly for your Checking Accounts. You will receive an Account statement at least quarterly for your Savings Accounts. We are only required to provide the Account statement, notices, and other communications to the Primary Member on the Account who is responsible for providing Account statement and all other notices and communications to all other Account Parties. Notice to one of you shall be considered notice to all. You acknowledge that any person your Account statement is provided to may have access to Account information for all of your Accounts, and we are not responsible for such access. Unless we have agreed otherwise, we will mail or deliver your Account statement to the most recent address or other agreed location we have for the Primary Member in our records. You agree to notify us promptly if you move, change your address, or if any other contact information such as your telephone number or e-mail address is changed. You agree that we may, but are not required to, change your address of record if we receive an address change notice from the U.S. Postal Service or if a third party in the business of providing correct address information notifies us that your address of record is inconsistent with the address the third party has for you. It is your responsibility to ensure that your statements are received, and you agree that we will not be responsible for the loss or theft of your statements. You agree to notify us immediately if you fail to receive a statement for your Checking Accounts monthly, or a statement for your Savings Accounts at least quarterly. It is important that you make note of the time that you regularly receive your statement. You agree to notify us immediately, and in any event within 14 days of that time, if you fail to receive your statement.

5. Illegal Transactions. You agree to comply with applicable law in maintaining your Accounts with us, including without limitation United States economic sanctions laws and regulations issued by the United States Department of Treasury, Office of Financial Assets Control, and Presidential Executive Orders. We are prohibited from processing illegal transactions through your Accounts or through our relationship with you, including unlawful Internet gambling transactions. You may not use your Account in any manner or for any transaction that we believe poses an undue risk of illegality, and we may refuse to process or authorize any such use or transaction. If you engage in illegal transactions or unlawful activity, we also may impose restrictions on your Account, including restricting your access to Account services, or we may close your Account. If you use your Account relationship or engage in a transaction that is determined to be illegal, you will be liable to us. You waive any right to take legal action against the Credit Union for any illegal use or transactions and you agree to indemnify, defend, and hold harmless the Credit Union and any third-party processors from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use or transactions.

If you open a corporation, partnership, or organization Account, or any other kind of business Account with us, you agree to certify to us at Account opening, and if requested annually, that (a) you do not engage in an Internet gambling business or (b) you have legal authority to engage in an Internet gambling business. You agree to cooperate with us and provide any documentation we may reasonably require in order to substantiate your certification. You authorize us to investigate the Account Owner(s), the principals of the business, and the authorized signers' background, including any current or previous financial institution and payment processor references. You also agree to notify us immediately if at any time your business or organization changes in any way that causes any prior certification to be inaccurate. If you certify to us that you have legal authority to engage in an Internet gambling business, you agree that we may refuse to open the Account or choose to close an existing Account in our sole and absolute discretion.

6. Legal Process. You authorize the Credit Union to recognize and honor legal process issued against you from any jurisdiction or state. You agree that we may debit your Account for charges and costs, including attorney's fees, in connection with document review, negotiations, responses, appearances, and the production of statements, items, or other documents pursuant to subpoenas, court orders, levies, garnishments, or other instruments of legal process to the extent not otherwise prohibited by law. You agree that any levy, attachment, or garnishment against your Account will be subject to our contractual and statutory liens set forth below, and you authorize us to exercise those liens whether or not any outstanding obligation is in default, subject to applicable law.

7. Statutory Lien. Federal law grants us a lien and a right of setoff on all funds in any Account that you have with us if you are in default or otherwise fail to satisfy a financial obligation with us. We may exercise these rights without further notice to you. This lien and right of setoff applies to all Accounts that you have with us, to the extent permitted by law, including Accounts that you hold jointly with another person.

8. Contractual Lien. In addition to any statutory lien we have as a matter of law, you grant us a contractual lien on any and all deposits, interest, and dividends deposited or maintained in any Account in which you have an interest to the extent of any loans made to you and any other obligation of yours that you owe to us, which lien secures repayment of any such loan or obligation to the extent not prohibited under the Federal Truth-in-Lending Act. You are not giving a security interest in any shares or deposits in an IRA or any other Account which, if pledged, would result in the loss of special tax treatment under the Internal Revenue Code or other applicable law. You agree that, if any such Account is a Joint or Multiple Party Account, the entire amount in such Account shall be subject to our lien and shall secure the indebtedness of each Party owing to us. You agree that we may exercise our lien and apply the entire amount in any such Account against the indebtedness of any Party owing to us notwithstanding the interest of any other Owner in the Account and without notice. You agree to pay us for expenses and costs, including attorney's fees, that we may incur in defending or enforcing our right to exercise our lien against the indebtedness of any one or more Parties, and you agree that we will not be liable for dishonoring checks or other items where the exercise of our lien or any right of offset that may exist results in there being insufficient funds in the Account to honor such items. If we cash a check for you and any such check is subsequently returned unpaid for any reason, you agree that we may charge the amount of the item against your Account. If we elect not to enforce our lien at any time, we do not waive our right to enforce that lien on subsequent occasions. The lien secures all direct and indirect indebtedness that you may owe to us whether as borrower, co-maker, guarantor, or otherwise. You agree that, with regard to any indebtedness owing to us secured by your principal residence, our lien on shares and deposits shall not be construed so as to diminish or forfeit any security interest in or indebtedness secured by such residence, nor shall our lien be construed so as to permit the modification of any claim we may have under 11 U.S.C. §1322(b)(2), and to the extent that this lien is so construed, it is hereby waived and shall be void.

9. Dispute Resolution. If we suspect that fraudulent misconduct is or has taken place with respect to any Account, or if we are uncertain about transactions taking place on any Account and we are unable to contact you, or if we are notified that a Party to an Account has died or is incompetent to manage his or her affairs, or if we have been notified that a dispute exists between or among Parties to the Account or third parties with regard to their respective interests in the Account, or if there are competing claims to funds on deposit, or if we are in doubt concerning the respective interests of any Parties to an Account or other persons claiming an interest in the Account, we may restrict withdrawals and other Account transactions until we are satisfied

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

10. Notices. Unless otherwise provided in any of our agreements or disclosures we have provided to you, any notice you provide to us must be in writing and will not be effective until we have actually received it and have had a reasonable opportunity to act on it. Unless we specify otherwise in any notice we provide to you, notices from us will be effective when mailed, delivered, or made available to you.

11. Power of Attorney. You agree that we shall be under no obligation to recognize and honor any power of attorney that authorizes someone to deal with your Account on your behalf. If we do accept a power of attorney, an agent may not make a survivorship designation on behalf of a principal.

12. Withdrawal of Services. In the event that any Credit Union member or other Party becomes delinquent on an obligation to us, causes us a loss or makes known his or her intention to cause us a loss, whether by way of loan default, Account overdraft, or otherwise, misrepresents him or herself by making false or misleading statements in any credit application or personal information requested, or in the event that any Credit Union member or other Party has been abusive in the conduct of his or her affairs with the Credit Union, it is our policy to restrict or withdraw member services otherwise extended to that member, including but not limited to, the right to maintain Accounts (except a primary Savings Account), and the availability of electronic fund transfer services, including pre-authorized transfers, telephone, mobile, and computer access services, and ATM/debit card services. Any electronic access restrictions we may impose under these circumstances may apply to all of your Accounts. It is also our policy that your Credit Union membership is subject to termination if you fail to complete payment of one share upon admission to membership, or within 45 days from the increase in the par value of shares, or if your share balance is reduced below the par value of one share and you do not increase the balance to at least the par value of one share within 45 days of the reduction. Your Credit Union membership is also subject to termination if you do not participate in the affairs of the Credit Union, including without limitation, voting in annual credit union elections, purchasing shares, and obtaining Credit Union loans from time to time. Unless expelled from membership, members have a right to maintain a Primary Savings Account and to vote in annual and special meetings. Under certain circumstances, withdrawn services may be reinstated if any delinquency, loss, or abusive conduct is subsequently cured.

13. Closing the Account. Any Account Owner may close an Account at any time; provided, however, that, except for the Primary Member, no other Owner may close the primary Share Account of the Primary Member. We reserve the right to require the written consent of any or all of the Account Owners to close a Joint or Multiple Party Account. Your right to close an Account is subject to any statutory or contractual lien existing in our favor and any legal process levied against any such Account. If we pay any item or payment order after your Account is closed, you agree to reimburse us. We may close an Account at any time and disburse funds on deposit in any such Account to the Owners of the Account or in satisfaction of any obligation owing to us, in any manner we deem appropriate, if (i) any of the events set forth in the preceding Paragraphs 9 or 12 should arise, (ii) we believe that we may suffer a loss if the Account is not closed or we believe that the volume of Account activity exceeds that which we can reasonably and safely process, (iii) we determine that any Party to the Account or any other party claiming interest in the Account has been abusive in the use of the Account or in the conduct of his or her affairs with the Credit Union, (iv) our attempts to verify your identity have failed, (v) you do not cooperate with our reasonable requests in connection with maintenance of your Account, or (vi) there has been a change in Account ownership or a change with regard to the persons authorized to sign on the Account. In addition, we reserve the right to close a Checking Account for any of the following reasons: (i) if there are seven or more nonsufficient funds (NSF) checks or other NSF transactions within a

one-month period, (ii) if there are 20 or more NSF checks or other NSF transactions within a 12-month period, (iii) if the Checking Account has an overdraft balance for five consecutive days or more, (iv) if the Checking Account has a zero balance and no activity by you for three consecutive months, (v) if the Checking Account is manipulated or appears to be manipulated in such a manner as to cause special monitoring. In some cases, we may permit a member or former member with a charged off Account to open new accounts or to reopen accounts closed by the Credit Union six months after the charged off amount has been repaid. The decision to allow new or reopened Accounts after a charged off Account has been paid depends on the circumstances and is entirely at the Credit Union's discretion.

14. Death or Incompetence of Account Owner. We may continue to accept deposits to an Account, to pay items drawn against an Account, to pay other payment orders against an Account, and allow any other transactions with respect to an Account until we are notified of an Account Owner's death or of an adjudication of incompetence and we have a reasonable opportunity to act upon any such notice. Subject to our policies and procedures, and subject to any separate agreement we may enter into with any surviving Account Party, once we are notified of an Account Owner's death, we may pay items drawn against the Account or other payment orders authorized by the deceased Account Owner for a period of 10 days after the Account Owner's death unless we are ordered to stop payment by a person claiming an interest in the Account. We may require any person claiming an interest in the Account to indemnify us against any losses arising out of the payment of any such claim, and this Account Agreement will be binding upon the heirs or legal representatives of any deceased Account Owner or any Account owner who is adjudicated incompetent. We may discontinue paying dividends on an Account following the death of an Account owner. If any surviving Joint Owner is a member of the Credit Union, we may require that the Account be closed and the Joint Owner's portion of the funds transferred to the Joint Owner's Account.

15. Attorney's Fees. In addition to any other rights we may have at law or under this Agreement to recover fees and costs, we will be entitled to recover reasonable attorney's fees and costs expended in connection with the enforcement of this Agreement and the defense of any rights we may have under this Agreement, regardless of whether we elect to bring suit for those purposes, and you authorize the Credit Union to deduct any such costs or expenses from your eligible Accounts without prior notice to you.

16. Amendment. We may add to, change, or delete any of the terms of this Agreement, the Truth-In-Savings Disclosures and Rate and Fee Schedules, and any notice, agreement, policy, or procedure made a part of this Agreement, from time to time in our sole discretion, subject to any notice required by applicable law.

17. Severability. If any provision of this Agreement is declared invalid, unenforceable, illegal, or void as against public policy by a court, administrative agency, or any other authority of competent jurisdiction, that provision will not affect the validity, enforceability, or legality of any other provision.

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

19. Governing Law. This Agreement is governed by the Federal Credit Union Act, the National Credit Union Administration Rules and Regulations, the Credit Union's Bylaws, and to the extent not pre-empted by federal law, the laws of the State of Texas, without regard to its conflict of laws provisions. You acquiesce and submit to personal jurisdiction in the State of Texas. Venue is proper in Webb County, Texas.

20. Credit Reports. You authorize us to obtain and verify your credit and employment history, and to request and use credit reports when considering any application to open an Account or application for related financial services. **We may report information about your share and loan accounts to credit bureaus. Late payments, missed payments, or other defaults on your Accounts may be reflected in your credit report.** If you believe that information we have reported or may report to a credit bureau is inaccurate or incomplete, please notify us in writing at:

**Laredo Federal Credit Union
Attn: Collections Department
1119 Corpus Christi St.
Laredo, TX 78040**

Include your name, address, home telephone number and Account number and identify the information you believe is incorrect. If your notification relates to an incident of identity theft, we will require a copy of your identity theft report filed with law enforcement authorities.

21. Direct Disputes of Information Appearing in Credit Reports. You may dispute directly to us any information contained in a credit report that pertains to an account or other relationship we have or have had with you. We will investigate such disputes when you notify us in writing at any address for us that appears in the credit report or at the following address:

**Laredo Federal Credit Union
Attn: Collections Department
1119 Corpus Christi St.
Laredo, TX 78040**

In your letter, you must include sufficient information for us to identify the Account or other relationship in dispute, and you must identify the specific information you are disputing and explain your basis for the dispute. You also must provide all supporting documentation or other information we may reasonably require to substantiate your dispute. If you do not comply with these requirements, we may decline to investigate your dispute.

22. Assignment. You may not assign your Account or this Agreement, or any of your rights under this Agreement, without our express written consent, which we may withhold in our sole and absolute discretion.

23. Headings. The titles and headings of the various paragraphs of this Agreement are for the sole convenience of the parties to this Agreement and are not intended for any other purpose or to explain, modify, or place any construction on any of the provisions of this Agreement.

24. No Waiver of Rights. We do not waive any of our rights or remedies under this Agreement unless we agree to any such waiver in a writing signed by us. If we delay or omit to enforce any of our rights or remedies under this Agreement, such delay or omission shall not operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not prevent us from enforcing our rights and remedies on future occasions.

25. Confidentiality. Protecting your privacy and the security of your personal information is very important to us. Our privacy and security practices are explained in our Privacy Notice. We will only disclose your personal information to nonaffiliated third parties (i) as necessary to carry out or complete transactions you have requested, including verifying the existence of sufficient funds, (ii) on your written instructions, and (iii) as otherwise permitted or required by law, such as in connection with court orders or subpoenas.

26. Cooperation in the Investigation of Claims of Unauthorized Activity. If you submit a claim of unauthorized activity relating your Account, you agree, on our request, to (a) adequately describe your claim in writing in a signed affidavit, declaration under penalty of perjury, or any related form that we provide, (b) file a police report, and (c) cooperate with us in all respects in the investigation of your claim, including promptly completing and returning to us any documentation that we may require. If you fail to fully cooperate with us in the investigation of your claim, we may terminate our investigation and revoke any provisional credit we have provided to you to the extent permitted by law.

27. Electronic Signatures and Records. You agree that we may act and rely upon documentation, correspondence, or other instructions with respect to your Accounts that 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. By using a computer, mobile device, signature pad, or other electronic device in connection with authorizing and completing transactions with us, you agree to the use of electronic signatures and any such signature of yours will be deemed your handwritten signature for all purposes. You agree that we may maintain copies of Account records, including copies maintained electronically, in lieu of any original and that any such copy will be considered an original record for any purpose, including admissibility in evidence as an original record before any court or administrative agency.

28. Communications. In order to ensure we carry out your instructions accurately and to provide quality member service, you consent to the monitoring and recording of telephone conversations and other communications between you and us. You represent and warrant that you are the subscriber, customary user, and/or owner of any telephone number or

email address you provide to us. You authorize us to deliver or cause to be delivered to your telephone numbers and/or email address information to service your accounts and other general Credit Union information, even if any of the telephone numbers you have provided may be on a state or federal do-not-call registry or similar list. We may provide information by calling or sending text messages or email. Some of our systems may use an automated dialer or prerecorded voice to deliver messages. Message and data rates may apply. If you provide your email address to us, you agree that we may send email messages concerning member benefits available to you. You must notify us promptly if your telephone numbers or email address should change or if you transfer your telephone numbers to another person or release them to your phone company. You agree to indemnify and hold the Credit Union harmless if you should fail to comply with any of the foregoing.

FUNDS AVAILABILITY POLICY

IMPORTANT NOTICE: *The following Funds Availability Policy applies only to deposits into Laredo Federal Credit Union Checking Accounts. Although we will generally apply this policy to other Accounts, such as Savings and Money Market Accounts, in some cases we may delay the availability of funds deposited into other Accounts for longer periods than as described below. Please ask a member services representative if you should have any questions about the availability of funds deposited into any of your Accounts.*

YOUR ABILITY TO WITHDRAW FUNDS

Our policy is to delay the availability of funds from your cash and check deposits. During the delay, you may not withdraw the funds in cash and we will not use the funds to pay checks and other payment transactions that you have authorized.

Once funds are made available, you can withdraw the funds in cash and we will use the funds to pay checks and other payment transactions that you have authorized. Deposits received at unstaffed facilities such as night depositories will be credited on the day funds are removed and processed by the Credit Union.

Please remember that even after we have made funds available to you and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

If you have any questions, be sure to ask us.

Determining the Availability of a Deposit

The length of the delay is counted in business days from the day of your deposit. 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.

The length of the delay varies depending on the type of deposit and is explained below.

Same-Day Availability

Funds from electronic direct deposits to your Account will be available on the day we receive the deposit.

Next-Day Availability

Funds from the following deposits are available on the first business day after the day of your deposit:

- U.S. Treasury checks that are payable to you.
- Wire transfers
- Checks drawn on Laredo Federal Credit Union

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first business day after the day of your deposit:

- Cash
- State and local government checks that are payable to you.
- Cashier's certified, and teller's checks that are payable to you.
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if those items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit.

Other Check Deposits

For all other check deposits, the first \$225 of your deposit will be available on the first business day after the day of your deposit, and the remaining funds will generally be available on the second business day after the day of your deposit. In some cases, withdrawals in cash from check deposits described in this paragraph may not be available until the third business day after the day of your deposit. See the Cash Withdrawal Limitation paragraph below for more information.

Cash Withdrawal Limitation

We place certain limitations on withdrawals in cash. The phrase "withdrawals in cash" includes, without limitation, cash withdrawals, an electronic payment, issuance of a cashier's or teller's check, and any other irrevocable commitment to pay. In general, and as described in the previous paragraph, \$225 of a deposit is available for withdrawals in cash on the first business day after the day of the deposit. An additional \$450 of the deposit is available for withdrawals in cash at 5:00 p.m. on the second business day. Any remaining funds from the deposit will be available for withdrawals in cash on the third business day.

Longer Delays May Apply

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

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

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

Foreign checks payable in U.S. or foreign currency and drawn on or payable through depository institutions outside the United States are accepted for collection only and are not subject to this Funds Availability Policy. We generally receive funds for foreign checks taken for collection within three to six weeks. We will notify you when the funds for a foreign check taken for collection have been received and deposited to your Account.

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 a check for deposit that is drawn on another financial 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.

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 into your Account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 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 first business day after 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 \$5,525 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 \$5,525 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.

ELECTRONIC FUND TRANSFERS AGREEMENT AND DISCLOSURES

To Report Lost or Stolen ATM Card or MasterCard Debit Card: (888) 297-3416 (24 hours) or outside U.S. (206) 389-5200.

Telephone Number for Notification of Unauthorized Use, Stop Payment of Preauthorized Transfers, and

Error Resolution: (956) 722-3971 or (877) 722-3972 (during business hours)

AGREEMENT

1. General. The terms, conditions, and disclosures appearing below generally apply to all of our Electronic Fund Transfer Services ("Services"), unless we reference a specific service in connection with any term, condition, or disclosure. All Services are provided subject to approval. Additional terms, conditions, and disclosures may be furnished to you at the time you arrange for any of these Services. In this Agreement and Disclosures, the "Card" refers to the Laredo Federal Credit Union ("LFCU") Automated Teller Machine ("ATM") Card and the MasterCard Debit Card. If a Card is issued to you or if you arrange for a Service, you agree that the use of any such Card or Service shall be governed by the terms of Membership and Account Agreement, the terms and conditions set forth in this Agreement and Disclosures, and any additional terms, conditions or disclosures provided to you when a Card is issued or a Service is provided. In the event of any conflict between those documents, any additional terms, conditions, or disclosures shall prevail, followed by the terms of this Agreement and Disclosures, and then the terms of the Membership and Account Agreement, unless one of those documents specifically provides for a different priority. Capitalized terms used in this Agreement and Disclosures, but not defined herein, shall have the same meaning as in the Membership and Account Agreement.

2. Overdrafts. You agree that we will be under no obligation to make a withdrawal or transfer if there are insufficient available funds in your Account. The term "available funds" means funds that are not subject to any holds and are immediately available for withdrawal and to pay presented transactions. If your Account has sufficient available funds to cover one or more but not all checks, withdrawal orders, or electronic fund transfers during any given business day, we may honor those items, allow those withdrawals, or make any such electronic fund transfers in any order that we choose in our sole discretion, including first honoring any such checks, orders, or transfers payable to us, and dishonoring or refusing any item, order, or transfer for which there are insufficient funds available thereafter. You also agree that, at our option, we may post all Card transactions during any day before posting any other checks, withdrawal orders, or other electronic fund transfers presented or made. You agree that use of the Card and Personal Identification Number, Home Banking ID and Password, or any other similar means of electronic Account access (individually and collectively referred to as a "PIN") shall be subject to the Overdraft and Overdraft Protection provisions set forth in the Membership and Account Agreement and any other overdraft protection agreements you may have with us.

3. Stop Payment. Unless otherwise provided in any agreement or disclosure you receive when you arrange for a Service, you acknowledge and agree that you may not stop payment of any transaction initiated through use of the Card or a PIN.

4. Card and PIN Security. You agree to keep your Card and all PINs issued to you in a place of safekeeping, to refrain from disclosing your PINs to any third party, and to refrain from writing your PIN on your Card. You agree that the use of the Card or a PIN by (i) you, (ii) any other applicant, (iii) any Joint Owner or other authorized user on any of your Accounts, (iv) anyone you permit or authorize to use your Card or PIN, and (v) anyone to whom you

disclose your PIN or give access to your Card or PIN shall be deemed an authorized use for which you shall be liable. You understand and agree that anyone authorized to use your PIN for the Audio Response, Home Banking, and Mobile Banking Services will have full access to your Account and loan information available through those Services, including Accounts in which the person may not have any ownership interest, and we are not responsible for access by such persons. You are responsible for reporting the loss or theft of your Card or PIN to us as soon as possible after the loss or theft.

5. Surrender, Cancellation and Amendment; Denial of Services. You agree to surrender the Card to us upon demand. You agree, further, that the Card shall at all times remain our property and that we may restrict or terminate any one or more electronic fund transfer Services or cancel this Agreement at any time, subject to such notification as may be required by applicable law. We may suspend or terminate your Services, for example, if you default or cause us a loss on any loan or other obligation to us or if you are abusive in the use of your Services, including repeated overdrafts. Any electronic access restrictions we may impose under these circumstances may apply to all of your Accounts. In certain circumstances, electronic Services may be reinstated if any delinquency, loss, or abuse is subsequently cured. You may terminate this Agreement or a Service at any time by notifying us in writing, but you will remain liable for all transactions you make or authorize both before and after any termination. We are not required to notify any other Account Owners or authorized users of any changes to or termination of any Service made by an Account Owner that affects the other Account Owners or authorized users. The Party making changes is responsible for notifying the other Account Parties in such event. We may add to, change, or delete any terms of Agreement and Disclosures, from time to time, subject to such notification as may be required by applicable law.

6. MasterCard Debit Card Preauthorization Holds. When you use your MasterCard Debit Card at certain merchants such as self-service gas stations, restaurants, hotels, airlines, and rental car companies, the merchant may request a preauthorization amount from us to cover the transaction. The preauthorization amount may be greater than the actual purchase amount. We will place a hold on your Account for up to five days for the amount of a preauthorization request. This hold may remain on your Account for up to five days, not including weekend days and banking holidays, even after the transaction has been paid. Preauthorization holds may affect the availability of funds in your Account to pay for checks, MasterCard Debit Card transactions, and other withdrawal orders on your Account. You acknowledge and agree that we may place merchant preauthorization holds on your Account in connection with your Card use, and we are not liable for any costs or fees you may incur for dishonor of items or otherwise because of such holds.

7. ATM/Debit Card Use Restrictions. For your security, use of all ATM and MasterCard Debit Cards is generally restricted to the State of Texas, U.S.A. If you will be travelling outside of Texas or the United States, please notify us in advance at (956) 722-3971 to temporarily remove the restrictions on your Card while you will be travelling. We reserve the right to block ATM and debit card transactions in certain countries and states without prior notice. When traveling, you should always have alternative forms of payment available.

DISCLOSURES

Notice to Business and Organization Account Holders: The following disclosures are provided for the benefit of consumers pursuant to the Electronic Fund Transfer Act and Federal Reserve Board Regulation E. The Act and Regulation do not apply to non-consumer Accounts. If you are a business or organization Account holder, the disclosures appearing below relating to your liability for unauthorized transfers (except for the zero liability rules for unauthorized use of the MasterCard Debit Card), credit union liability, and billing errors do not apply to business or organization Accounts. The remainder of the disclosures below are not intended to expand the scope or coverage of the Act or Regulation to business or organization Accounts.

1. TYPES OF AVAILABLE TRANSFERS

(a) ATM Card. The ATM Card is available only to members who do not have a Checking Account with us and is subject to approval. If you have only a Savings Account with us and later open a Checking Account, upon approval we will issue a MasterCard Debit Card at the time of the Checking Account opening and cancel the ATM Card.

You may use your ATM Card and PIN to:

- Withdraw cash from your Regular Savings Account.
- Request balance information for your Regular Savings Account.

Some of these services may not be available at all terminals. See Section 2 of these Disclosures for Transfer Limitations.

(b) MasterCard Debit Card. The MasterCard Debit Card is available to members who have a Checking Account with us and is subject to approval. You may use your MasterCard Debit Card and PIN to:

- Withdraw cash from your Checking and Regular Savings Accounts at ATMs that accept the Card.
- Transfer funds between your Checking and Regular Savings Accounts at ATMs that accept the Card.
- Request balance information for your Checking and Regular Savings Accounts at ATMs that accept the Card.
- Pay for purchases from your Checking Account at places that accept the Card.

Some of these services may not be available for all Accounts or at all terminals. See Section 2 of these Disclosures for Transfer Limitations.

(c) Audio Response Service. You may use your User ID and PIN to:

- Transfer funds between Accounts under your member number and to other Credit Union accounts on which you are an Owner.
- Request balance and Account history information for your Accounts.
- Make payments on your Credit Union loans from your Accounts.
- Schedule one-time and recurring transfers from your Accounts to other Accounts of yours.
- Perform other transactions as permitted by the Service.

Some of these services may not be available for all Accounts. See Section 2 of these Disclosures for Transfer Limitations.

(d) Online Banking and Mobile Banking Services. You may use your Home Banking ID and Password to:

- Transfer funds between Accounts under your member number and to other Credit Union accounts on which you are an Owner.
- Request balance and Account history information for your Accounts.

- Arrange for bill payments to third parties from your Checking Account.
- Make payments on your Credit Union loans from your Accounts.
- Schedule one-time and recurring transfers from your Accounts to other Accounts of yours.
- Perform other transactions as permitted by the Service.

Some of these services may not be available for all Accounts. See Section 2 of these Disclosures for Transfer Limitations. Your contractual arrangement and any user instructions for the bill payment Service may provide for additional terms, conditions, disclosures, and limitations. We may adjust transaction limits, subject to notification as required by applicable law.

(e) Preauthorized Transfers. Depending on our arrangement with you, you may make certain preauthorized transfers to or from your Accounts including:

- Direct deposit of your payroll or other recurring types of deposits to your Checking or Savings Accounts.
- Preauthorized payment of certain types of recurring payments from your Checking or Savings Accounts.
- Preauthorized payment of certain types of recurring payments to your Checking or Savings Accounts.

Some of these services may not be available for all Accounts. See Section 2 of these Disclosures for Transfer Limitations.

(f) Electronic Check Conversion. If you pay for something by check and the merchant or payee permits, you may authorize the merchant or payee to make a one-time electronic payment from your Checking Account using information from your check to pay for the purchase or to pay a bill. You may also authorize a merchant or payee to electronically debit your Checking Account for returned check fees. You are deemed to have authorized these transfers if you sign an authorization or if you engage in the transaction after receiving notice that the transfer will be treated as an electronic fund transfer.

2. LIMITS ON TRANSFERS

(a) Transfer Limits for Savings and Money Market Accounts.

We may charge an Excessive Share Withdrawal Fee as set forth in our Fee Schedule if you make more than three in person cash and/or check withdrawals or fund transfers, or a combination of such withdrawals and fund transfers, from your Regular Savings Account during any calendar month.

In addition to the foregoing, Federal Reserve Board regulations require that, during each statement period, you may not make more than six withdrawals and transfers, or a combination of such withdrawals and transfers, from any of your Savings or Money Market Accounts to another Account of yours (other than for the purpose of making a Credit Union loan payment) or to a third party by means of a preauthorized or automatic transfer (including automatic overdraft protection transfers and transfers using the Audio Response, Home Banking, and Mobile Banking Services). **If you exceed this transfer limit, we will charge an Excessive Reg. D Withdrawal Fee as set forth in the Fee Schedule for each transaction in excess of the limit. Further, if excessive preauthorized or automatic transfers**

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and withdrawals activity continues to occur on your Savings or Money Market Accounts, we may impose transfer and withdrawal restrictions on those Accounts, and the Accounts will be subject to closure. ATM withdrawals, in-person withdrawals, and withdrawals by mail do not count toward the Regulation D transfer limit. You authorize us to charge any Account of yours without notice for any fees owing to us. Please contact us if you need help understanding the Regulation D transfer limits and how to avoid excessive withdrawal fees on your Savings and Money Market Accounts.

(b) **ATM Card Transfer Limits.**

- Each ATM withdrawal is limited to a maximum of \$500 per transaction.
- You may perform up to three ATM withdrawal transactions from your Regular Savings Account, with an aggregate daily withdrawal limit of \$500, per 24-hour period using your Card.
- Card use is generally limited to the State of Texas. See Paragraph 7 of the Agreement section above regarding use of the ATM Card outside the State of Texas.

(c) **MasterCard Debit Card Transfer Limits.**

For the MasterCard Debit Card, there is an overall daily transaction limit of 12 transactions per 24-hour period with an aggregate daily withdrawal limit of \$2,000 for consumer Accounts and \$2,500 for business Accounts. Within these daily limits, the following additional transaction limits apply:

- You may perform up to three ATM transactions from your consumer or business Checking Account or Regular Savings Account, with an aggregate daily withdrawal limit of \$500, using your Card and PIN at an ATM.
- You may perform up to 12 point-of-sale (signature or PIN-based) transactions from your Checking Account, with an aggregate daily withdrawal limit of \$1,000 for consumer Accounts and \$1,500 for business Accounts, using your Card at point-of-sale terminals.
- You may perform up to 12 "Card Not Present" transactions from your consumer or business Checking Account, with an aggregate daily withdrawal limit of \$500, using your Card to purchase goods and services from merchants.
- Card use is generally limited to the State of Texas. See Paragraph 7 of the Agreement section above regarding use of the MasterCard Debit Card outside of the State of Texas.

3. **CHARGES FOR TRANSFERS OR RIGHT TO MAKE TRANSFERS.**

Charges imposed in connection with the Services are disclosed in the Fee Schedule accompanying these disclosures and/or in any additional terms, conditions, and disclosures provided to you when you request and are approved for a Service. You authorize us to charge any Account of yours for fees assessed in connection with the Services.

4. **NON-PROPRIETARY AND OUT-OF-NETWORK ATM 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).

5. **RIGHT TO RECEIVE DOCUMENTATION OF TRANSFERS.**

- (a) Terminal Transfers. You can get a receipt at the time you make any transfer of more than \$15 to or from your Account using

an ATM or point-of-sale terminal.

- (b) Preauthorized Transfers. If you have arranged to have direct deposits made to your Account at least once every 60 days, either the person or company making the payment will tell you every time they send us the money, or you can call us at the number listed below to find out if the deposit has been made.
- (c) Periodic Statements. You will get a monthly Account statement on any Account having an electronic fund transfer. In any case, you will get a statement at least quarterly.

6. **YOUR LIABILITY FOR UNAUTHORIZED TRANSFERS AND ADVISABILITY OF PROMPT REPORTING.**

Tell us AT ONCE if you believe your Card, PIN, Password, Home Banking ID, or any other means of accessing your Accounts 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. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your Account.

For Transactions Using Your MasterCard Debit Card:

If you believe your MasterCard Debit Card and/or PIN has been lost or stolen, you will not be liable once you notify us that someone may use or has used your Card or PIN without your permission. The foregoing liability limitation does not apply unless (a) you have exercised reasonable care in safeguarding your MasterCard Debit Card from risk of loss or theft, and (b) upon becoming aware of such loss or theft, you promptly notify us. If you do not meet these conditions and you are a consumer cardholder, your liability will be determined under the standards set forth below for All Other Transactions.

For All Other Transactions:

If you tell us within two business days, you can lose no more than \$50 if someone used your Card or PIN without your permission.

If you do NOT tell us within two business days after you learn of the loss or theft of your Card or PIN, and we can prove we could have stopped someone from using your Card or PIN without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by Card, PIN, 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.

7. **TELEPHONE NUMBER AND ADDRESS FOR NOTIFICATION OF UNAUTHORIZED TRANSFERS.**

If you believe your Card, PIN, Password, Home Banking ID, or any other means of accessing your Accounts has been lost or stolen or if someone has transferred or may transfer money from your Account without your permission, call:

(956) 722-3971 or (877) 722-3972
(during business hours)

Or

For Lost or Stolen ATM or
MasterCard Debit Card
(888) 297-3416 (24 hours) or (206) 389-5200
outside the U.S

or write to:

LAREDO FEDERAL CREDIT UNION
1119 Corpus Christi

Laredo, TX 78040

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission. Telephoning us as soon as possible is the best way to keep your possible losses down.

8. **BUSINESS DAYS.** Our business days are Monday through Saturday except for federal holidays and the day after Thanksgiving. We also close early on Good Friday, Christmas Eve, and New Year's Eve. Operating hours may vary and are posted on our website at www.laredofcu.net.

9. **DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES.** We will disclose information to third parties about your Account or the transfers you make:

- (a) Where it is necessary for completing transfers, or
- (b) In order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant, or
- (c) In order to comply with government agency or court orders, or
- (d) If you give us your written permission.

10. **PREAUTHORIZED PAYMENTS.**

- (a) **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's how:

Call us or write us at the telephone number or address disclosed above in time for us to receive your request three 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. There will be a charge for each stop payment order you give. Please refer to our Fee Schedule accompanying this Agreement for fees we will charge you in connection with stop payment orders.

- (b) **Notice of Varying Amounts.** If these regular payments may vary in amount, the person or company 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.

- (c) **Liability for Failure to Stop Payment of Pre-Authorized Transfer.** If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we may be liable for your losses or damages proximately caused by our failure.

11. **CREDIT UNION'S 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 may be liable for your losses or damages proximately caused by our failure. However, there are some exceptions. We will NOT be liable, for instance:

- If, through no fault of ours, you do not have enough money in your Account to make the transfer.
- If the terminal or system where you are making the transfer does not have enough cash.
- If the ATM or system was not working properly and you knew about the breakdown when you started the transfer.

- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- If the funds in your Account are subject to an administrative hold, legal process, or other claim.
- If the failure to properly complete the transaction is caused by erroneous information supplied by you or your agent.
- If you have closed the Account from which you have preauthorized electronic fund transfers to occur.
- There may be other exceptions stated in our agreements with you.

12. **IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS.**

Telephone or write us at the telephone number or address above 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.

- (a) Tell us your name and Account number.
- (b) 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.
- (c) 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 after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your Account within 10 business days for the amount you think is in error, so that you will have 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.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your Account for the amount you think is in error.

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.

13. **ILLEGAL TRANSACTIONS.** You agree that you will not cause or allow the Card or a PIN to be used in any manner or for any transaction that we believe poses an undue risk of illegality and we may decline to authorize any such transaction. If you use your Card or PIN for a transaction that is determined to be illegal, you will be liable for the transaction. You also waive any right to take legal action against the Credit Union for your illegal use of the Card, and you agree to indemnify and hold the Credit Union and MasterCard International, Inc. harmless from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

14. **INTERNATIONAL TRANSACTIONS.** If you effect an international transaction with your MasterCard Debit Card, MasterCard International, Inc. will convert the charge into a U.S. dollar amount. MasterCard International will use its currency conversion procedure, which is disclosed to institutions that issue MasterCard cards. Currently the currency conversion rate used by MasterCard International to determine the transaction amount in U.S. dollars for such transactions is generally either a government-mandated rate or a wholesale rate determined by MasterCard International for the processing cycle in which the transaction is processed. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the

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purchase date or cardholder statement posting date. We will charge a Foreign Transaction Fee in an amount as set forth in the Fee Schedule on all international transaction amounts.

- 15. ATM SAFETY PRECAUTIONS.** Exercise discretion when using an Automated Teller Machine or night deposit facility. Observe basic safety precautions. Prepare for any ATM transactions prior to approaching the ATM or night deposit facility. Retain your receipts, and do not leave them at the ATM or night deposit facility. Do not lend your Card to anyone, and do not leave your Card or any other documents at the ATM or any night deposit facility. Keep your PIN secret and memorize it. Do not give anyone information regarding your Card or PIN over the telephone. When using an ATM, place your body in a position so that you will prevent others from observing your PIN when entered. Never enter your PIN in any terminal that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. At any ATM or night deposit facility, keep a lookout for any suspicious activity near the facility and assure yourself that the facility and all approaches to the facility are well lighted. Conceal cash received from an ATM to the best of your ability and count it after you have left the ATM. If anyone offers assistance while you are operating an ATM, do not accept it. If you have begun a transaction, consider canceling the transaction and leaving the ATM location. Finally, compare your receipts against the statements you receive and notify us immediately if you suspect that an error or unauthorized transaction has occurred.

WHAT DOES LAREDO FEDERAL CREDIT UNION DO WITH YOUR PERSONAL INFORMATION?

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| Why? | Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do. | |
| What? | The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> ▪ Social Security number and income ▪ account balances and payment history ▪ transaction or loss history and credit history When you are <i>no longer</i> our member, we continue to share your information as described in this notice. | |
| How? | All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Laredo Federal Credit Union chooses to share; and whether you can limit this sharing. | |
| Reasons we can share your personal information | Does Laredo Federal Credit Union share? | Can you limit this sharing? |
| For our everyday business purposes —such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus | Yes | No |
| For our marketing purposes —to offer our products and services to you | Yes | No |
| For joint marketing with other financial companies | Yes | No |
| For our affiliates' everyday business purposes —information about your transactions and experiences | No | We don't share |
| For our affiliates' everyday business purposes —Information about your creditworthiness | No | We don't share |
| For nonaffiliates to market to you | No | We don't share |
| Questions ? | Call (956) 722-3971 or (877) 722-3972 | |

| What we do | |
|---|--|
| How does Laredo Federal Credit Union protect my personal information? | To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We maintain physical, electronic, and procedural safeguards to protect your information. |
| How does Laredo Federal Credit Union collect my personal information? | We collect your personal information, for example, when you <ul style="list-style-type: none"> ▪ open an account or deposit money ▪ pay your bills or apply for a loan ▪ use your credit card or debit card We also collect your personal information from others, such as credit bureaus, affiliates, or other companies. |
| Why can't I limit all sharing? | Federal law gives you the right to limit only <ul style="list-style-type: none"> ▪ sharing for affiliates' everyday business purposes—information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. |

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| Affiliates | Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> ▪ <i>Laredo Federal Credit Union has no affiliates</i> |
| Nonaffiliates | Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> ▪ <i>Laredo Federal Credit Union does not share with nonaffiliates so they can market to you.</i> |
| Joint marketing | A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> ▪ <i>Our joint marketing partners include insurance companies.</i> |