

LINE OF CREDIT (CREDIT CARD) AGREEMENT

Credit Union

Address _____ Street _____ City _____ Zip _____ County _____, Texas

BORROWER(S) _____ ACCOUNT NUMBER _____

TERMS USED IN THIS AGREEMENT: "You" and "Your" mean any person who signs this Agreement or uses the card. "The Card" means any credit card issued to you or those designated by you under the terms of this Agreement. "Use of the card" means any procedure used by you or someone authorized by you, to make a purchase or obtain a cash advance whether or not the purchase or advance is evidenced by a signed written document. "Unauthorized use" means the use of the card by someone other than you who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit. Singular terms include the plural and plural terms include the singular in this Agreement.

EXTENSIONS OF CREDIT: If your application is approved, the Credit Union may, at its discretion, establish a MasterCard and/or VISA Card account in your name and cause one or more cards to be issued to you or those designated by you. In such event, you authorize the Credit Union to pay for your account, all balance transfers and items reflecting credit purchases and cash advances obtained through use of the card. If this Agreement is executed by more than one person, each of you shall be jointly and individually liable to us for all charges made to the Account, including applicable fees. You may not use the card for any illegal purpose or transaction. Credit Union may refuse to authorize any transaction that it believes to be illegal or that poses an undue risk of illegality. You agree that any illegal use of the card will be deemed an act of default under this Agreement. You further agree to waive any right to take legal action against Credit Union for your illegal use of the card and to indemnify and hold Credit Union, VISA International and/or MasterCard International harmless from and against any lawsuits, other legal action or liability that results directly or indirectly from such illegal use.

CONVENIENCE CHECKS: We may, at our discretion, issue checks to you which may be used for any purpose other than making a payment for credit to your Account. By signing such checks, you authorize us to pay the item for the amount indicated and post such amount as a cash advance to your Account. We do not have to pay any item which would cause the outstanding balance in your Account to exceed your credit limit. Charges that apply in connection with the use of Convenience Checks are as follows: Copy of Paid Check \$ _____; Stop Payment on Check \$ _____; NonSufficient Funds Check (NSF) \$ _____; Fees will be assessed at the time they are incurred."

CREDIT LIMITS: You promise that payments made for your account resulting from use of the card will, at no time, cause the outstanding balance in your account to exceed your credit limit as disclosed to you at the time you receive your card or as adjusted from time to time at the discretion of the Credit Union.

PROMISE TO PAY: You promise to repay the Credit Union all payments made for your account resulting from use of the card plus a FINANCE CHARGE on the unpaid balance. At the end of each monthly billing cycle in which you have an outstanding balance, you will be furnished with a periodic statement showing (i) the "previous balance" (the outstanding balance in the account at the beginning of the billing cycle), (ii) the amount of all fees, balance transfers, cash advances, purchases and FINANCE CHARGES posted to your account during the billing cycle, (iii) the amount of all payments and credits posted to your account during the billing cycle, and (iv) the "new balance" which is the sum of (i) and (ii) less (iii). You agree to pay on or before the "payment due date" shown on the periodic statement either the entire "new balance", or a minimum payment equal to _____ % of the "new balance," or \$ _____ whichever is greater. If the "new balance" is \$ _____ or less, you will pay in full.

COST OF CREDIT: You will pay a FINANCE CHARGE for all advances made against your account at the periodic rate of _____ % per day, which has a corresponding ANNUAL PERCENTAGE RATE of _____ %. Cash advances incur a FINANCE CHARGE from the date they are posted to the account. New purchases will not incur a FINANCE CHARGE on the date they are posted to your account if you have paid the account in full by the Payment Due on your previous monthly statement, or if there was no previous balance. The Payment Due Date is not less than 25 days from the billing cycle closing date shown on your statement. The FINANCE CHARGE is figured by applying the periodic rate to the "balance subject to FINANCE CHARGE" which is the "average daily balance" of your account, including current transactions. The "average daily balance" is arrived at by taking the beginning balance of your account each day and adding any new cash advances, and, unless you pay your account in full by the due date shown on your previous monthly statement or there is no previous balance, adding in new purchases, and subtracting any payments or credits and unpaid FINANCE CHARGES. The daily balances for the billing cycle are then added together and divided by the number of days in the billing cycle. The result is the "average daily balance." The FINANCE CHARGE is determined by multiplying the "average daily balance" by the number of days in the billing cycle and applying the periodic rate to the product. You may pay any amounts outstanding at any time without penalty for early payment.

OTHER CHARGES: You may be charged a fee of _____ on a statement date if your new balance on that date exceeds your credit limit. If you do not pay your minimum payment within _____ days following your payment due date, you may be charged a late fee of \$ _____. If you obtain a cash advance by using an automated teller machine, you may be charged any amounts imposed upon the Credit Union by the owner or operator of the machine. If a check or share draft used for payment on your account is returned unpaid, you may be charged a fee of \$ _____ for each item returned. Any charge made under this paragraph will be added to the balance of your account and treated as a purchase.

ANNUAL FEE: An annual fee in the amount of \$ _____ will be charged to your account each year on the anniversary date of the date the card was issued to you as long as you maintain an account balance, whether you have charging privileges or not.

CREDIT INSURANCE: Although credit insurance is not required for any extension of credit under this Agreement, you may purchase credit insurance available through the Credit Union and have the premium added to the outstanding balance in your account. If you elect to do so, you will be given the necessary disclosures and documents separately.

MASTERCARD LIABILITY FOR UNAUTHORIZED USE: You may be liable for the unauthorized use of your card. You will not be liable for any unauthorized use of your card if you notify Credit Union orally or in writing at _____, telephone number _____, of the loss, theft, or possible unauthorized use and you meet the following conditions: (1) you have exercised reasonable care with the card; (2) you have not reported two or more incidents of unauthorized card use within the previous 12 months; and (3) you have maintained your account in good standing. The foregoing liability limitation does not apply to ATM cash advance transactions. In any case, your maximum liability for unauthorized use of the card will not exceed \$50.00 and you will not be liable for any unauthorized use that occurs after you notify Credit Union (or its designee) at the address or telephone number above.

VISA LIABILITY FOR UNAUTHORIZED USE: You may be liable for the unauthorized use of your card. You will not be liable for unauthorized use of your card if you notify Credit Union orally or in writing at _____, telephone number _____, of the loss, theft, or possible unauthorized use. The foregoing liability limitation does not apply if you are grossly negligent or fraudulent in the handling of your account or your card, nor does it apply in the case of cash advances obtained at an ATM. In any case, your liability for unauthorized use will not exceed \$50 and you will not be liable for any unauthorized use that occurs after you notify Credit Union (or its designee) at the address or telephone number above.

CREDITING OF PAYMENTS: If a payment is made at any location other than the address designated on the periodic statement, credit for such payment may be delayed up to five (5) days. Payments or credits will be applied first to collection costs, then to any FINANCE CHARGE due, and the remainder to the unpaid balance. Interest paid or agreed to be paid shall not exceed the maximum amount permitted under applicable law, and if Credit Union receives any interest which exceeds that amount, the excessive interest shall be applied to the reduction of the unpaid principal amount or refunded to you.

SECURITY INTEREST: You specifically grant us a consensual security interest in all individual and joint accounts you have with us now and in the future to secure repayment of credit extensions made under this agreement. The granting of this security interest is a condition for the issuance of any card which you may use, directly or indirectly, to obtain extensions of credit under this agreement.

Shares and deposits in an Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security are not subject to the security interest you are giving. Collateral securing other loans with us may also secure payments for your Account under this Agreement.

DEFAULT: You will be in default: (1) if you fail to make any payment on time; (2) if you fail to keep any promises you have made under this or any other agreement with the Credit Union; (3) if you are the subject of an order for relief Under Title 11 of the U.S. Code (Bankruptcy); (4) if anyone tries, by legal process, to take any of your money in the Credit Union; (5) if you have given the Credit Union false or inaccurate information in obtaining your card; or (6) if anything happens with the Credit Union reasonable believes endangers your ability to repay what you owe.

ACCELERATION: If you are in default, the Credit Union may, without prior notice to you, call any amounts you still owe immediately due and payable plus FINANCE CHARGES which shall continue to accrue until the entire amount is paid. You expressly waive any right to notice or demand, including but not limited to, demand upon default, notice of intention to accelerate, and notice of acceleration. The card remains the property of the Credit Union at all times, and you agree to immediately surrender the card upon demand of the Credit Union. You agree to pay all reasonable costs of collection, including court costs and attorney's fees imposed, and any cost incurred in the recovery of the card.

ADDITIONAL PROVISIONS: Each provision of this Agreement must be considered as part of the total Agreement and cannot, in any way, be severed from it. Should any part of the Agreement be found invalid, it will in no way affect the remainder of the Agreement. Credit Union can also delay enforcing any of its rights under this Agreement without losing them. The validity, construction and enforcement of this Agreement shall be governed by the laws of the State of Texas. Use of your card is also subject to the policies and rules of VISA or MasterCard International, in effect from time to time, which do not conflict with the terms of this Agreement.

Credit Union may accept late payments or partial payments, or checks or money orders marked "payment in full" without losing any of its rights under this Agreement. You agree to give prompt notice to Credit Union of any change in your name, mailing address, telephone number or place of employment.

The Credit Union does not warrant any merchandise or services purchased by you with the card. All purchases and cash advances are extended at the option of the merchant or cash advancing financial institution and the Credit Union is not responsible for refusal of any merchant or financial institution to honor your card.

TERMINATION AND CHANGES: You may terminate this Agreement, by written notice, as to future advances at anytime. Credit Union may terminate this Agreement at any time subject to such notice as may be required by applicable law. Termination by either party shall not affect your obligation to repay any payments made for your account as well as FINANCE CHARGES and other related charges. We may change the terms of this Agreement, including the periodic rate, at anytime subject to such notice as may be required by applicable law. If you use your card or account to make a purchase or cash advance or balance transfer after having been given notice of a change in terms, you agree that the existing balance in your account at the time of that use will be subject to the new terms, as shall subsequent uses.

CREDIT INFORMATION: You authorize the Credit Union to investigate your credit standing when opening or reviewing your account. You authorize the Credit Union to disclose information regarding your account to credit bureaus and creditors who inquire about your credit standing. If you believe that the information we have reported is inaccurate or incomplete, please notify us in writing at the address shown above in this Agreement. Please include your name, address, home telephone number and Account number.

By signing this Agreement and any other related documents or using the card, each person agrees to all the terms and conditions. The person signing as Borrower acknowledges receipt of a copy of this Agreement.

SIGNED THIS _____ day of _____

Borrower _____ Co-Borrower _____

FOREIGN CURRENCY TRANSACTIONS:

MasterCard: If you effect an international transaction with your MasterCard, MasterCard International 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 exchange rate or a wholesale exchange rate selected by MasterCard International for the applicable currency on the day the transaction is processed, which rate may differ from the applicable rate on the date the transaction occurred or when the transaction is posted to your Account. [We could charge you a 1% Foreign Transaction Fee (.8% for the MasterCard issuer Cross-border Assessment and .2% for the MasterCard Currency Conversion Assessment) on all international purchase, cash disbursement, and Account credit transactions.]

VISA: If you effect an international transaction with your VISA Card, the rate of exchange between the transaction currency and the billing currency used for processing the international transaction will be a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives or the government-mandated rate in effect for the applicable central processing date; and in each instance, [choose one:] [plus a _____ % Foreign Transaction Fee] [plus or minus any adjustment determined by us]. The Foreign Transaction Fee will apply to all international purchase, cash disbursement, and account credit transactions.*

YOUR BILLING RIGHTS, KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

NOTIFY US IN CASE OF ERROR OR QUESTION ABOUT YOUR BILL

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us (on a separate sheet) at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but by doing so will not preserve your rights.

In your letter, give us the following information:

Your name and account number.

The dollar amount of the suspected error.

Describe the error and explain. If you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges; and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within 10 days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount even if your bill was correct.

SPECIAL RULE FOR CREDIT CARD PURCHASES

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right:

- (a) You must have made the purchase in your home state or, within 100 miles of your current mailing address; and
- (b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.