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# CREDIT CARD ACCOUNT AGREEMENT AND FEDERAL DISCLOSURE STATEMENT; SECURITY AGREEMENT; MILITARY ANNUAL PERCENTAGE RATE (MAPR) AND PAYMENT OBLIGATION DISCLOSURE ("Agreement")

Numbers, phrases, or words preceded by a  are applicable only if the  is marked, e.g.

## ACCOUNT-OPENING DISCLOSURES

Interest Rate and Interest Charges	
<b>Annual Percentage Rate (APR) For Purchases</b>	<p>VISA Platinum BONUS: _____% Introductory APR for 6 months or 6 full billing cycles after Your Account is opened, whichever is greater.</p> <p>After that Your APR will be _____%. This APR will vary with the market based on the Prime Rate.</p> <p>VISA Signature BONUS: _____% Introductory APR for 6 months or 6 full billing cycles after Your Account is opened, whichever is greater.</p> <p>After that Your APR will be _____%. This APR will vary with the market based on the Prime Rate.</p> <p>VISA Aspire: _____%</p> <p>This APR will vary with the market based on the Prime Rate.</p>
<b>APR For Balance Transfers</b>	<p>VISA Platinum BONUS: _____% Introductory APR for 6 months or 6 full billing cycles after Your Account is opened, whichever is greater.</p> <p>After that Your APR will be _____%. This APR will vary with the market based on the Prime Rate.</p> <p>VISA Signature BONUS: _____% Introductory APR for 24 months or 24 full billing cycles after Your Account is opened, whichever is greater.</p> <p>After that Your APR will be _____%. This APR will vary with the market based on the Prime Rate.</p> <p>VISA Aspire: _____%</p> <p>This APR will vary with the market based on the Prime Rate.</p>
<b>APR For Cash Advances</b>	<p>VISA Platinum BONUS: _____%</p> <p>This APR will vary with the market based on the Prime Rate.</p> <p>VISA Signature BONUS: _____%</p> <p>This APR will vary with the market based on the Prime Rate.</p> <p>VISA Aspire: _____%</p> <p>This APR will vary with the market based on the Prime Rate.</p>
<b>Paying Interest</b>	<p>VISA Platinum BONUS &amp; VISA Signature BONUS – Your due date will be at least 25 days following the statement closing date. We will not charge You interest on purchases if You pay Your entire balance owed each month by the payment due date. We will not charge You interest on balance transfers prior to the expiration of any Introductory Rate period if You pay Your entire balance owed each month by the payment due date during that period. We will begin charging interest on cash advances on the transaction date.</p> <p>VISA Aspire – Your due date will be at least 25 days following the statement closing date. We will not charge You interest on purchases if You pay Your entire balance owed each month by the payment due date. We will begin charging interest on balance transfers and cash advances on the transaction date.</p>
<b>For Credit Card Tips from the Consumer Financial Protection Bureau</b>	<p><b>To learn more about factors to consider when applying for or using a Credit Card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>.</b></p>

**SEE TOP OF PAGE 2 for more important information about Your account.**

Fees	
<b>Transaction Fees</b> <ul style="list-style-type: none"> <li>• Overdraft Transfer</li> <li>• Cash Advance</li>   <li>• Balance Transfer</li> </ul>	For VISA Platinum BONUS and VISA Aspire, <b>\$8.00</b> for each transfer For VISA Platinum BONUS and VISA Aspire, <b>\$8.00</b> for each advance For VISA Signature BONUS, <b>\$15.00</b> for each advance For VISA Platinum BONUS and VISA Aspire, <b>\$8.00</b> for each transfer not subject to an Introductory APR For VISA Signature BONUS, <b>3.00%</b> [ <b>\$8.00</b> minimum] for each transfer not subject to an Introductory APR
<b>Penalty Fees</b> <ul style="list-style-type: none"> <li>• Late Payment</li> <li>• Returned Payment</li> </ul>	Up to <b>\$35.00</b> Up to <b>\$25.00</b>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)." See Your Account Agreement for details.

**Billing Rights:** Information on Your rights to dispute transactions and how to exercise those rights is provided in Your Account Agreement.

**SEE PAGE 1 for more important information about Your account.**

**SECURITY AGREEMENT**

Borrower(s):	Credit Card Account Number: _____
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**SECURITY INTEREST** To secure all obligations of Borrower(s) hereunder to the Credit Union You grant and consent to a lien on Your shares, and if described below, You also give a security interest and lien in and upon the shares (Collateral) identified separately below, and any related insurance premium refunds.

**CONSENSUAL LIEN ON SHARES.** You grant and consent to a lien on Your shares with Us, in either joint or individual accounts (except for IRA and Keogh accounts), and any dividends due or to become due to You from Us to the extent You owe on any unpaid Credit Card balance. You acknowledge that it is Your intention for such consensual lien to apply to all shares currently on deposit, together with any shares You may deposit in the future. You further acknowledge that in the event You default on Your Account, We will set-off any Credit Card indebtedness against such shares, and You agree that We may do so without any further notice to You.

DESCRIPTION (Account Type(s) Pledged)	ACCOUNT NUMBER (Account Number(s) Pledged)	AMOUNT PLEDGED

By signing below, You acknowledge that You have read this entire Agreement, that You understand it, that You accept and agree to all of the terms and conditions described in it, and that You have received a completed copy of it. You authorize Us to accept Your facsimile signatures and agree that Your facsimile signature will have the same legal force and effect as Your original signature. You assume any risk that may be associated with permitting Us to accept Your facsimile signature.

Name of Borrower	<b>X</b> Signature of Borrower	Date
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Name of Borrower	<b>X</b> Signature of Borrower	Date
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**OVERDRAFT PROTECTION.** We may transfer funds in the amount necessary (or in such increments as We may from time to time determine) to Your share draft account by an advance on Your Account, subject to this provision, to clear any overdraft on Your share draft account. Whether or not such transfers occur will be controlled by this Agreement. In any event, You hold Us harmless for any and all liability which might otherwise arise if the transfer does not occur. Overdraft protection automatically ceases if this Agreement is ever cancelled or terminated or Your Account is in default.

If You currently have a share draft account, You authorize Us to pay any of Your overdrafts in the order listed below, and You acknowledge that any advance made to clear an overdraft will only be made if You have sufficient available credit. If no priority is listed, then any such overdrafts will only be charged to Your Account (subject to Your available Credit Limit). If You do not have a share draft account at this time, and subsequently establish such an account in the future, You acknowledge that the order in which any overdrafts will be paid shall be subject to the preference You have separately indicated to Us for clearing any overdrafts.

1.		
2.		
3.		

**STATEMENT OF THE MILITARY ANNUAL PERCENTAGE RATE (MAPR), AND PAYMENT OBLIGATION DISCLOSURE**

If these disclosures were not provided to You in-person, We will also provide these disclosures to You orally, if You contact Us at the toll-free number set forth herein.

Toll-Free Number: 855.351.7048

**STATEMENT OF THE MILITARY ANNUAL PERCENTAGE RATE (MAPR)**

*Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).*

**PAYMENT OBLIGATION DISCLOSURE**

*Please refer to the important Account-Opening Disclosures required by the federal Truth in Lending Act, including Your Credit Card Account Agreement And Federal Disclosure Statement for important information about Your payment obligations. This Agreement is being furnished to You at or before the time Your open-end credit account is established.*

**[The remainder of this page is intentionally left blank]**

## CREDIT CARD ACCOUNT AGREEMENT AND FEDERAL DISCLOSURE STATEMENT

**THIS IS YOUR CREDIT CARD ACCOUNT AGREEMENT AND IT INCLUDES NECESSARY FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENTS, VISA PLATINUM BONUS, VISA SIGNATURE BONUS, AND VISA ASPIRE CREDIT CARD AGREEMENTS, AND ANY SPECIAL INSTRUCTIONS REGARDING THE USE OF YOUR VISA PLATINUM BONUS, VISA SIGNATURE BONUS, AND VISA ASPIRE CREDIT CARD, AND/OR ANY OTHER ACCOUNT ACCESS DEVICE. PLEASE BE CERTAIN TO READ THIS AGREEMENT CAREFULLY AND NOTIFY US AT ONCE IF ANY PARTS ARE UNCLEAR.**

**DEFINITIONS.** In this Agreement, the reference to "We," "Us," "Our" and "Credit Union" means TEXELL CREDIT UNION. The words "You" and "Your" mean each person accepting this Agreement. If this is a joint Account, read singular pronouns in the plural. The words "Card" and "Credit Card" mean any VISA Platinum BONUS, VISA Signature BONUS, or VISA Aspire Credit Card issued to You by Us and any duplicates or renewals. The word "Account" means the VISA Platinum BONUS, VISA Signature BONUS, or VISA Aspire Credit Card Account established for You under this Agreement. "Convenience Check" means the special Account access devices that We may provide for Your use from time to time. If this is a joint Account, read singular pronouns in the plural.

**PROMISE TO PAY.** You understand that the following terms and conditions constitute Our Agreement with You. You may request advances on Your Account through a variety of means which could include (but may not be limited to) telephonic requests, Convenience Checks, Credit Cards and the like. Regardless of the means by which any advance is made, You promise to pay Us all amounts charged to Your Account by You or by any user who has access to Your Account, with actual, apparent or implied authority for use of Your Account, including Finance Charges and other fees or charges described herein.

Credit Card	Variable Rate		Daily Periodic Rate <i>For Purchases</i>	ANNUAL PERCENTAGE RATE <i>For Purchases</i>
	Index	Margin		
VISA Platinum BONUS	_____	_____	_____ %	_____ %
VISA Signature BONUS	_____	_____	_____ %	_____ %
VISA Aspire	_____	_____	_____ %	_____ %

  

Credit Card	Variable Rate		Daily Periodic Rate <i>For Balance Transfers</i>	ANNUAL PERCENTAGE RATE <i>For Balance Transfers</i>
	Index	Margin		
VISA Platinum BONUS	_____	_____	_____ %	_____ %
VISA Signature BONUS	_____	_____	_____ %	_____ %
VISA Aspire	_____	_____	_____ %	_____ %

  

Credit Card	Variable Rate		Daily Periodic Rate <i>For Cash Advances</i>	ANNUAL PERCENTAGE RATE <i>For Cash Advances</i>
	Index	Margin		
VISA Platinum BONUS	_____	_____	_____ %	_____ %
VISA Signature BONUS	_____	_____	_____ %	_____ %
VISA Aspire	_____	_____	_____ %	_____ %

**USE OF YOUR CARD.** You may use Your Card to buy goods and services in any place that it is honored and to get cash advances at participating financial institutions. You agree not to use Your Card for illegal transactions including, but not limited to, advances made for the purpose of gambling and/or wagering where such practices are in violation of applicable state and/or federal law.

**SECURITY.** Collateral (other than household goods or any dwelling) given as security under any other loan You may have with Us will secure all amounts You owe Us now and in the future if that status is reflected in the "Truth-in-Lending Disclosure" in any particular Agreement evidencing such debt.

**ACCOUNT RESTRICTIONS – VISA ASPIRE.** In order to receive and maintain a VISA Aspire Credit Card, You have given Us a specific pledge of shares (Collateral) which is described above in the Security Agreement section of this Agreement. In the event that You default on Your Account, We may apply these shares toward the repayment of any amount owed on Your VISA Aspire Credit Card. You may cancel Your VISA Aspire Credit Card at any time by paying any amounts owed on such Account. You understand that all shares pledged as Collateral must remain on deposit at all times, except to the extent that You repay all amount(s) You owe to Us and close Your Account. To be certain that Your entire balance and all advances are paid, the shares pledged may not be available to You for at least 30 days after You have cancelled and any outstanding balance is paid in full.

**LINE OF CREDIT LIMITS.** You will be notified of each specific Credit Limit for which You are approved. Unless You are in default, the Credit Limits established for You will generally be self-replenishing as You make payments. You will keep Your unpaid balance within Your Credit Limit set by Us, and You will pay any amount over Your Credit Limit on Our demand whether or not We authorize the advances which caused You to exceed Your Credit Limit. Even if Your unpaid balance is less

than Your Credit Limit, You will have no credit available during any time that any aspect of Your Account is in default.

**JOINT ACCOUNTS.** Each Borrower will be responsible, jointly and severally, for the repayment of any amounts owed. If any Account access device, such as a Personal Identification Number (PIN) is requested and approved, You understand that any such Account access device(s) will be mailed only to the primary Borrower at the address that We have on file for You. We may refuse to follow any instructions which run counter to this provision.

**MINIMUM MONTHLY PAYMENTS (PAYMENT SCHEDULE).** Though You need only pay the Minimum Monthly Payments, You understand that You have the right to repay at any time without penalty. You also understand that You will only be charged periodic Finance Charges to the date You repay Your entire balance. You may make larger payments without penalty. Any partial payment or prepayment will not delay Your next scheduled payment. All payments to Us must be in lawful money of the United States. Except as required by law, We may apply payments at Our discretion. Any unpaid portion of the Finance Charge will be paid by subsequent payments and will not be added to Your principal balance. You understand that any delay in the repayment of Your unpaid balance will increase Your periodic Finance Charges and any acceleration in the repayment of Your unpaid balance will decrease Your periodic Finance Charges.

Minimum Monthly Payments will be an amount equal to 3.00% of Your new unpaid Account balance at the end of each billing cycle, subject to the lesser of \$25.00 or Your balance, plus any portion of the Minimum Payments shown on prior statement(s) which remains unpaid, plus any amount that exceeds Your approved Credit Limit.

You may authorize Us to charge Your payment directly to Your share or share draft account.

**FINANCE CHARGES.** Finance charges on Your Account will accrue as set forth below.

**VISA Platinum BONUS, VISA Signature BONUS, and VISA Aspire – Purchase Transactions.** In the case of any purchase transactions under Your Account, the balances subject to the periodic Finance Charge are the average daily transactions balances outstanding during the month (including new transactions). To get the average daily balance for purchases, We take the beginning balance for purchases each day, add any new purchases, debit adjustments or other charges and subtract any payments credited to purchases, credits and unpaid Finance Charges. This gives Us the daily balance for purchases. Then, We add up all the daily balances for purchases for the billing cycle being accounted for and divide them by the number of days in the billing cycle. The Finance Charge for purchases for each billing cycle is computed by multiplying the average daily balance for purchases that is subject to a Finance Charge by the Daily Periodic Rate times the number of days in the billing cycle.

**VISA Platinum BONUS, VISA Signature BONUS, and VISA Aspire – Grace Period on Purchase Transactions.** Your due date is at least 25 days after Your statement closing date. You can avoid Finance Charges on purchases by paying the full amount of the entire balance owed each month by Your payment due date. Otherwise, the new balance of purchases, and subsequent purchases from the date they are posted to Your Account, will be subject to a Finance Charge.

**VISA Platinum BONUS – Introductory Rate on Purchase Transactions.** For VISA Platinum BONUS, each purchase transaction obtained during the first 6 billing cycles following the date that Your Account is established will accrue Finance Charges at a discounted Introductory Daily Periodic Rate of \_\_\_\_\_% (corresponding **ANNUAL PERCENTAGE RATE** \_\_\_\_\_%) for a period ending with the 6th complete billing cycle following the date of Card issuance. Upon the expiration of an Introductory Rate period each such balance will be subject to the non-introductory Variable Rate described elsewhere in this Agreement. If Your Account was not subject to this Introductory Rate the balance for purchases would have accrued Finance Charges at the Daily Periodic Rate and corresponding Annual Percentage Rate described elsewhere in this Agreement.

**VISA Signature BONUS – Introductory Rate on Purchase Transactions.** For VISA Signature BONUS, each purchase transaction obtained during the first 6 billing cycles following the date that Your Account is established will accrue Finance Charges at a discounted Introductory Daily Periodic Rate of \_\_\_\_\_% (corresponding **ANNUAL PERCENTAGE RATE** \_\_\_\_\_%) for a period ending with the 6th complete billing cycle following the date of Card issuance. Upon the expiration of an Introductory Rate period each such balance will be subject to the non-introductory Variable Rate described elsewhere in this Agreement. If Your Account was not subject to this Introductory Rate the balance for purchases would have accrued Finance Charges at the Daily Periodic Rate and corresponding Annual Percentage Rate described elsewhere in this Agreement.

**VISA Platinum BONUS, VISA Signature BONUS, and VISA Aspire – Balance Transfer Transactions.** In the case of any balance transfer transactions under Your Account, the balances subject to the periodic Finance Charge are the average daily transactions balances outstanding during the month (including new transactions). To get the average daily balance for balance transfers, We take the beginning balance for balance transfers each day, add any new balance transfers, debit adjustments or other charges and subtract any payments credited to balance transfers, credits and unpaid Finance Charges. This gives Us the daily balance for balance transfers. Then, We add up all the daily balances for balance transfers for the billing cycle being accounted for and divide them by the number of days in the billing cycle. The Finance Charge for balance transfers for each billing cycle is computed by multiplying the average daily balance for balance transfers that is subject to a Finance Charge by the Daily Periodic Rate.

**VISA Platinum BONUS, VISA Signature BONUS and VISA Aspire – No Grace Period on Balance Transfer Transactions.** Balance transfers obtained through the use of Your VISA Platinum BONUS, VISA Signature BONUS, and VISA Aspire Credit Cards are always subject to a Finance Charge from the date they are posted to Your Account.

**VISA Platinum BONUS – Introductory Rate on Balance Transfer Transactions.** For VISA Platinum BONUS, each balance transfer transaction obtained during the first 6 billing cycles following the date that Your Account is established will accrue Finance Charges at a discounted Introductory Daily Periodic Rate of \_\_\_\_\_% (corresponding **ANNUAL PERCENTAGE RATE** \_\_\_\_\_%) for a period ending with the 6th complete billing cycle following the date of Card issuance. Upon the expiration of an Introductory Rate period each such balance will be subject to the non-introductory Variable Rate described elsewhere in this Agreement. If Your Account was not subject to this Introductory Rate the balance for balance transfers would have accrued Finance Charges at the Daily Periodic Rate and corresponding Annual Percentage Rate described elsewhere in this Agreement.

**VISA Signature BONUS – Introductory Rate on Balance Transfer Transactions.** For VISA Signature BONUS, each balance transfer transaction obtained during the first 24 billing cycles following the date that Your Account is established will accrue Finance Charges at a discounted Introductory Daily Periodic Rate of \_\_\_\_\_% (corresponding **ANNUAL PERCENTAGE RATE** \_\_\_\_\_%) for a period ending with the 24th complete billing cycle following the date of Card issuance. Upon the expiration of an Introductory Rate period, each such balance will be subject to the non-introductory Variable Rate described elsewhere in this Agreement. If Your Account was not subject to this Introductory Rate the balance for balance transfers would have accrued Finance Charges at the Daily Periodic Rate and corresponding Annual Percentage Rate described elsewhere in this Agreement.

**VISA Platinum BONUS, VISA Signature BONUS, and VISA Aspire – Cash Advance Transactions.** In the case of any cash advance transactions under Your Account, the balances subject to the periodic Finance Charge are the average daily transactions balances outstanding during the month (including new transactions). To get the average daily balance for cash advances, We take the beginning balance for cash advances each day, add any new cash advances, debit adjustments or other charges and subtract any payments credited to cash advances, credits and unpaid Finance Charges. This gives Us the daily balance for cash advances. Then, We add up all the daily balances for cash advances for the billing cycle being accounted for and divide them by the number of days in the billing cycle. The Finance Charge for cash advances for each billing cycle is computed by multiplying the average daily balance for cash advances that is subject to a Finance Charge by the Daily Periodic Rate.

**VISA Platinum BONUS, VISA Signature BONUS, and VISA Aspire – No Grace Period on Cash Advance Transactions.** Cash advances obtained through the use of Your VISA Platinum BONUS Credit Card, VISA Signature BONUS Credit Card, and/or VISA Aspire Credit Card are always subject to a Finance Charge from the date they are posted to Your Account.

**VARIABLE RATE.** For VISA Platinum BONUS and VISA Signature BONUS, following the expiration of the Introductory Rate period, all purchase and balance transfers transactions are subject to a Variable Rate which is based on the highest Prime Rate as published in the Money Rates section of The Wall Street Journal in effect on the day the Introductory Rate period expires, and subsequently, on the last day of each calendar quarter of each year (“Index”) plus Our Margin. The Index plus the Margin equals the Interest Rate. Changes in the Index will cause changes in the Interest Rate on the day the Introductory Rate period expires, and subsequently, on the first day of the calendar quarter that immediately follows a change in the Index.

For VISA Platinum BONUS and VISA Signature BONUS, balances for cash advance transactions are subject to a Variable Rate which is based on the highest Prime Rate as published in the Money Rates section of The Wall Street Journal in effect on the last day of each calendar quarter of each year (“Index”) plus Our Margin. The Index plus the Margin equals the Interest Rate. Changes in the Index will cause changes in the Interest Rate on the first day of the calendar quarter that immediately follows a change in the Index.

For VISA Aspire, all balances are subject to a Variable Rate which is based on the highest Prime Rate as published in the Money Rates section of The Wall Street Journal in effect on the last day of each calendar quarter of each year (“Index”) plus Our Margin. The Index plus the Margin equals the Interest Rate. Changes in the Index will cause changes in the Interest Rate on the first day of the calendar quarter that immediately follows a change in the Index.

For all Cards, increases or decreases in the Interest Rate will cause like increases or decreases in the Finance Charge and will affect the amount of Your regularly scheduled payments. Your Interest Rate will never be greater than 18.00% and will apply to Your remaining principal balance.

**LATE CHARGE.** If Your payment is 3 or more days late, You will be charged the lesser of: (a) \$25.00 (this amount will be \$35.00 if You have incurred a late charge within 6 months of previously incurring a late charge); or (b) the amount of the required minimum payment.

**FOREIGN TRANSACTIONS.** For transactions initiated in foreign countries and foreign currencies, the exchange rate between the transaction currency and the billing currency (U.S. dollars) will be: (a) 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 (b) the government-mandated rate in effect for the applicable central processing date.

**OTHER FEES AND CHARGES.** You will be charged the following fees associated with the use of Your Card: (a) the lesser of \$25.00 or the required minimum payment amount for the returned payment for any check (or other negotiable instrument used for payment) which is returned unpaid; (b) \$27.00 for each balance transfer check or balance transfer check that is submitted to Us for payment and We return unpaid; (c)

except VISA Signature BONUS, \$8.00 FINANCE CHARGE for each balance transfer not subject to an introductory rate; (d) for VISA Signature BONUS, a balance transfer FINANCE CHARGE equal to the greater of \$8.00 or 3.00% of each balance transfer not subject to an introductory rate; (e) except VISA Signature BONUS, \$8.00 FINANCE CHARGE for each overdraft transfer; (f) except VISA Signature BONUS, \$8.00 FINANCE CHARGE for each cash advance; (g) for VISA Signature BONUS, \$15.00 FINANCE CHARGE for each cash advance; and (h) \$5.00 for each replacement Card You request.

**PERIODIC STATEMENTS.** On a regular basis, You will receive a statement showing all transactions on Your Account including amounts paid and borrowed since Your last statement. We will deliver You a statement each month in which there is a debit or credit balance or when a Finance Charge is imposed. We need not send You a statement if We feel Your Account is uncollectible or if We have started collection proceedings against You because You defaulted. EACH STATEMENT IS DEEMED TO BE A CORRECT STATEMENT OF ACCOUNT UNLESS YOU ESTABLISH A BILLING ERROR PURSUANT TO THE FEDERAL TRUTH-IN-LENDING ACT.

**OUR RESPONSIBILITIES TO HONOR CONVENIENCE CHECKS.** We are under no obligation to honor any of Your Convenience Checks and may, at Our sole and exclusive option, refuse to pay any Convenience Check, regardless of Our reason for electing not to pay such Convenience Check. You acknowledge that any such refusal to pay a Convenience Check shall not constitute wrongful dishonor, and We are not responsible for any resulting loss or liability. If a postdated Convenience Check is paid and, as a result, any other Convenience Check is returned unpaid, We are not responsible for any resulting loss or liability.

**DEFAULT.** You will be in default if: (a) You do not make any payment or perform any obligation under this Agreement, or any other agreement that You may have with Us; or (b) You should die, become involved in any insolvency, receivership or custodial proceeding brought by or against You; or (c) You have made a false or misleading statement in Your credit application and/or in Your representations to Us while You owe money on Your Account; or (d) A judgment or tax lien should be filed against You or any attachment or garnishment should be issued against any of Your property or rights, specifically including anyone starting an action or proceeding to seize any of Your funds on deposit with Us; and/or (e) We should, in good faith, believe Your ability to repay Your indebtedness hereunder is or soon will be impaired, time being of the very essence.

Upon any occurrence of default, and to the extent permitted by law, We may, without prior notice or demand: (a) declare the entire balance owed under this Agreement immediately due and payable; and (b) impress and enforce the Consensual Lien on Your shares and dividends with Us; and (c) if applicable, setoff any Collateral pledged. Any resulting deficiency owed under this Agreement shall be immediately paid to the Credit Union. We can also exercise any other rights We hold under applicable law. To the extent permitted by law, You waive any right You have to demand for payment, notice of intent to accelerate and notice of acceleration.

**ARBITRATION (Except for Credit Subject to the Military Lending Act (MLA)).** In the event of default under this Agreement, We may, at Our sole and exclusive option, pursue Our remedies by filing a legal action to recover any amounts owed under this Agreement, or We may initiate arbitration proceedings.

If We elect arbitration to resolve any controversy or claim arising out of Your default under this Agreement, such arbitration shall be administered by the American Arbitration Association in accordance with its Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Claims shall be heard by a single arbitrator. The arbitration shall be governed by the laws of the state in which Our principal office is located, and arbitration shall take place in the area in which Our principal office is located. Time is of the essence for any arbitration under this Agreement. Arbitration hearings shall take place within 90 days of the request for arbitration, and awards shall be rendered within 60 days of the conclusion of the arbitration proceedings. Arbitrator(s) shall agree to these limits prior to accepting appointment. The arbitrators will have no authority to award punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute. The arbitrator(s) shall award to the prevailing party, if any, as determined by the arbitrators, all of their costs and fees. "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees, and attorneys' fees. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties. All parties hereby waive and give up all rights to a jury trial or class action relief.

**COLLECTION COSTS.** In the event collection efforts are required to obtain payment on this Account, to the extent permitted by law, You agree to pay all court costs, private process server fees, investigation fees or other costs incurred in collection and reasonable attorneys' fees incurred in the course of collecting any amounts owed under this Agreement or in the recovery of any Collateral.

**ENFORCEMENT.** We do not lose Our rights under this or any related agreement if We delay enforcing them. We can accept late payments, partial payments or any other payments, even if they are marked "paid in full" without losing any of Our rights under this Agreement. If any provision of this or any related agreement is determined to be unenforceable or invalid, all other provisions remain in full force and effect.

**NOTIFICATION OF ADDRESS CHANGE.** You will notify Us promptly if You move or otherwise have a change of address.

**CHANGE IN TERMS.** We may change the terms of this Agreement by mailing or delivering to You written notice of the changes as prescribed by the Federal Truth-In-Lending Act. To the extent permitted by law, the right to change the terms of this Agreement includes, but is not limited to, the right to change the periodic rate applicable to Your unpaid balance and/or future advances.

**CREDIT INSURANCE.** Credit insurance is not required for any extension of credit under this Agreement. However, You may purchase any credit insurance available through Us and have the premiums added to Your outstanding balance. If You elect to do so, You will be given the necessary disclosures and documents separately.

**INTEGRATED DOCUMENTS.** Any separate sheet of paper labeled "Additional Disclosure - Federal Truth-In-Lending Act," which is delivered together with this Agreement or at a later date becomes an integrated part of this Agreement and Disclosure.

**CONSENT TO AGREEMENT.** You acknowledge receipt of a copy of this Agreement. By signing this Agreement or an application; or by using Your Account or any Account access device; or by authorizing another to use Your Account, You agree to and accept its terms.

**UPDATING AND DISCLOSING FINANCIAL INFORMATION.** You will provide facts to update information contained in Your original Account application or other financial information related to You, at Our request. You also agree that We may, from time to time, as We deem necessary, make inquiries pertaining to Your employment, credit standing and financial responsibility in accordance with applicable laws and regulations. You further agree that We may give information about the status and payment history of Your Account to consumer credit reporting agencies, a prospective employer or insurer, or a state or federal licensing agency having any apparent legitimate business need for such information.

**TERMINATION.** Either You or We may cancel Your Account at any time, whether or not You are in default. You will, in any case, remain liable to pay any unpaid balances according to the terms of Your Account.

**OWNERSHIP.** Your Card remains Our property and may be cancelled by Us at any time without notice. You agree to surrender Your Card and to discontinue its use immediately upon Our request.

**ISSUANCE OF A PERSONAL IDENTIFICATION NUMBER.** We will issue, upon Your request, a Personal Identification Number (PIN) for use with participating Automated Teller Machines (ATMs). This PIN is confidential and should not be disclosed to anyone. You may use Your PIN to access Your Account and all sums advanced will be added to Your Account balance. In the event a use of Your PIN constitutes an Electronic Fund Transfer, the terms and conditions of Your Electronic Fund Transfer Agreement may also affect Your rights.

**EFFECT OF AGREEMENT.** Even though the sales, cash advance, credit or other slips You may sign or receive when using Your Card contain terms, this Agreement is the contract which solely applies to all transactions involving the Card.

**UNAUTHORIZED USE.** You may be liable for the unauthorized use of Your Card. You will not be liable for the unauthorized use that occurs after You notify Us of the loss, theft, or possible unauthorized use by calling Us at (254) 773-1604. You may also notify Us of the loss, theft, or possible unauthorized use by writing to Us at P.O. Box 983, Temple, TX 76503. In any case, Your liability will not exceed \$50.00.

**PRE-AUTHORIZED RECURRING CHARGES.** You may, from time to time, establish preauthorized recurring charges be made on Your Account. You understand that any such preauthorized recurring charges will continue unless discontinued by You directly with the service provider with whom You preauthorized the recurring charge.

To ensure that recurring preauthorized charges established and authorized by You are not interrupted in the event that Your Card or other Access Device is reissued, We may, but are under no obligation to do so, enroll Your account in automatic account information update services that communicate new Card/Access Device information to the service providers with whom You have established preauthorized recurring charges, the purpose of which is to ensure charges You authorize continue without interruption.

**REFUSAL TO HONOR CARDS OR CONVENIENCE CHECKS.** We are not liable for the refusal or inability of merchants, financial institutions and others to accept the Cards or Convenience Checks, or electronic terminals to honor the Cards or complete a Card withdrawal, or for their retention of the Cards or Convenience Checks.

**TRANSACTION SLIPS.** Your monthly statement will identify that merchant, electronic terminal or financial institution at which transactions were made, but sales, cash advance, credit or other slips cannot be returned with the statement.

**LOST CARDS OR CONVENIENCE CHECKS.** To report lost or stolen Credit Cards or Convenience Checks, You will immediately call Us at (254) 773-1604. You may also report lost or stolen Credit Cards or Convenience Checks by writing to Us at P.O. Box 983, Temple, TX 76503. In any case, Your liability will not exceed \$50.00.

**CREDITS.** If a merchant who honors Your Card gives You credit for returns or adjustments, they will do so by sending Us a slip which will be posted to Your Account. If Your credits and payments exceed what You owe Us, We will hold and apply this credit against future purchases and cash advances, or if it is \$1.00 or more refund it on Your written request or automatically deposit it to Your share account after 6 months.

**GOVERNING LAW.** This Agreement is controlled and governed by the laws of the State of Texas, except to the extent that such laws are inconsistent with controlling federal law.

**ELECTRONIC COMMUNICATIONS.** You authorize Us to send You, from time to time, and to the extent permitted by applicable law, electronic communications regarding the status of any share, share draft, and/or certificate account(s) You maintain with Us. You also authorize Us to send You electronic communications regarding any other accounts You may maintain with Us from time to time including, but not limited to, loan accounts, credit line accounts, and credit card accounts. These electronic communications are sometimes referred to as "transactional or relationship messages."

You authorize Us to contact You using any wireless, cellular, mobile or other telephone number You have provided to Us on Your membership application, and at any wireless, cellular, mobile or other telephone number You may furnish to Us or We obtain for You in the future. To the extent permitted by law, We may contact You using any electronic means We choose, which may include but is not limited to, voice messages, text messages and other similar electronic methods of communication. If You have furnished Us with any e-mail address(es), You understand and agree that We may send You e-mail messages regarding Your Account(s) with Us from time to time. If You have executed or subsequently execute any separate Disclosure and Consent to Receive Electronic Documentation or similar form, any communications covered by such Disclosure and Consent shall be subject to the terms and conditions set forth in that document.

You understand that the nature of electronic communications is such that anyone with access to Your wireless, cellular, mobile or other telephonic device or e-mail may be able to read or listen to such transactional or relationship messages from Us, and You agree that any person or party sending or leaving such messages shall have no liability for any consequences resulting from the interception of such messages by any other party. Without limitation, You also agree that You are responsible to pay all costs that You may incur as a result of any contact method We choose including, but not limited to, charges for telecommunications, wireless and/or internet charges.

**CONSENT TO CONTACT AGREEMENT.** You agree that We may, subject to applicable law, initiate telephone calls to any residential line (wireline service), cellular telephone service, or other wireless service associated with Your Account through use of pre-recorded or artificial voice messages and/or the use of automatic telephone dialing systems, in order for Us to service Your Account, prevent fraud, collect any amounts owed to Us by You, and otherwise conduct Our business with You. If You furnish Us with one or more cellular telephone numbers in connection with Your Account, You represent You are or will be the cellular telephone subscriber with respect to each such number, and that Your consent extends to all such numbers You provide to Us. You understand that the telephone calls We may initiate may result in charges to You by any cellular telephone, internet, or other digital or electronic service to which You subscribe, and You understand and agree that You are solely responsible for the payment of any such charges.

#### **Your Billing Rights: Keep this Document for Future Use**

**This notice tells You about Your rights and Our responsibilities under the Fair Credit Billing Act.**

#### **What To Do If You Find A Mistake On Your Statement**

If You think there is an error on Your statement, write to Us at P.O. Box 983, Temple, TX 76503. In Your letter, give Us the following information:

- **Account information:** Your name and Account number.
- **Dollar amount:** The dollar amount of the suspected error.
- **Description of problem:** If You think there is an error on Your bill, describe what You believe is wrong and why You believe it is a mistake.

You must contact Us:

- Within 60 days after the error appeared on Your statement.
- At least 3 business days before an automated payment is scheduled, if You want to stop payment on the amount You think is wrong.

You must notify Us of any potential errors in writing. You may call Us, but if You do We are not required to investigate any potential errors and You may have to pay the amount in question.

#### **What Will Happen After We Receive Your Letter**

**When We receive Your letter, We must do two things:**

- 1) Within 30 days of receiving Your letter, We must tell You that We received Your letter. We will also tell You if We have already corrected the error.
- 2) Within 90 days of receiving Your letter, We must either correct the error or explain to You why We believe the bill is correct.

**While We investigate whether or not there has been an error:**

- We cannot try to collect the amount in question, or report You as delinquent on that amount.
- The charge in question may remain on Your statement, and We may continue to charge You interest on that amount.
- While You do not have to pay the amount in question, You are responsible for the remainder of Your balance.
- We can apply any unpaid amount against Your Credit Limit.

**After We finish Our investigation, one of two things will happen:**

- **If We made a mistake:** You will not have to pay the amount in question or any interest or other fees related to that amount.
- **If We do not believe there was a mistake:** You will have to pay the amount in question, along with applicable interest and fees. We will send You a statement of the amount You owe and the date payment is due. We may then report You as delinquent if You do not pay the amount We think You owe.

If You receive Our explanation but still believe Your bill is wrong, You must write to Us within 10 days telling Us that You still refuse to pay. If You do so, We cannot report You as delinquent without also reporting that You are questioning Your bill. We must tell You the name of anyone to whom We reported You as delinquent, and We must let those organizations know when the matter has been settled between Us. If We do not follow all of the rules above, You do not have to pay the first \$50.00 of the amount You question even if Your bill is correct.

#### **Your Rights If You Are Dissatisfied With Your Credit Card Purchases**

If You are dissatisfied with the goods or services that You have purchased with Your 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 purchase. To use this right, all of the following must be true:

- 1) The purchase must have been made in Your home state or within 100 miles of Your current mailing address, and the purchase price must have been more than \$50.00. (Note: Neither of these are necessary if Your purchase was based on an advertisement We mailed to You, or if We own the company that sold You the goods or services.)
- 2) You must have used Your Credit Card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses Your Credit Card account do not qualify.
- 3) You must not yet have fully paid for the purchase.

If all of the criteria above are met and You are still dissatisfied with the purchase, contact Us in writing at P.O. Box 983, Temple, TX 76503.

While We investigate, the same rules apply to the disputed amount as discussed above. After We finish Our investigation, We will tell You Our decision. At that point, if We think You owe an amount and You do not pay, We may report You as delinquent.