

FOREIGN TRANSACTIONS: Purchases, cash advances and credits made in foreign currencies will be billed to your Account in U.S. dollars. The conversion to U.S. dollars will be made in accordance with the MasterCard International operating regulations for international transactions. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by MasterCard International from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard International itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate may be different than the rate on the day of the transaction or date of the posting of the Account. When a credit to the Account does not fully offset a charge to the Account due to changes in the rate, you are responsible for the differences.

RETURNS AND ADJUSTMENTS: Merchants and others who honor the Card may give credit for returns or adjustments, and they will do so by sending us a credit slip which we will post to your account. If your credits and payments exceed what you owe us, we will hold and apply this credit balance against future purchases and cash advances, or if it is \$1.00 or more, refund it on your request after six (6) months.

SURRENDER OF CARD(S): The Card(s) remain our property and, if we request, you must surrender to us all Cards we have issued on your account.

PAYMENTS MARKED "PAID IN FULL": We may accept checks, money orders, or other types of payment marked "payment in full" or using other language to indicate full satisfaction of any indebtedness, without being bound by such language or waiving any rights under this Agreement. Full satisfaction of indebtedness shall be accepted by us only in a written agreement, signed by an authorized employee of the Credit Union.

DELAY IN ENFORCEMENT: We can delay enforcing any of our rights under this Agreement without losing them.

GOVERNING LAW: You understand and agree that this Agreement is made in California and shall be governed by the laws of the State of California to the extent that California law is not inconsistent with controlling Federal law. You also understand that California's choice of law rules shall not be applied if that would result in the application of non-California law.

CHANGE OF TERMS: This Agreement is the contract which applies to all transactions on your account even though the sales, cash advances, credit or other slips you sign or receive may contain different terms. You understand that we may amend, modify, add to, or delete from this Agreement any of its terms and conditions, including the method of application and the amount of FINANCE CHARGE, effective as to any unpaid balance outstanding and any subsequent advance, by mailing a notice of the change to you at your last known address. You also understand that any such notice will be mailed at least fortyfive (45) days prior to the effective date of the change as required by Federal or other law. Notice of a change in terms is required, but may be sent as late as the effective date of the change where the change has been agreed to, in writing by you.

CREDIT INFORMATION: You authorize us to investigate your credit standing when opening, renewing or reviewing your account, and you authorize us to disclose information regarding your account to credit bureaus and other creditors who inquire of us about your credit standing, to the extent authorized by law.

TERMINATION: We may terminate this Agreement upon adverse reevaluation of your creditworthiness or your failure to live up to any of the terms of this Agreement. Either you or we may terminate this Agreement for other good cause. In no event shall any termination relieve you of your obligation to repay fees incurred or sums already

borrowed, collection costs and late charges, if any, and periodic FINANCE CHARGES.

INTEGRATED DOCUMENT(S): Any separate sheet of paper labelled "Pledge of Shares Securing A MasterCard Credit Card Account Agreement and Additional Federal Truth-In-Lending Disclosure Statement", "MasterCard Approval Letter" or "MasterCard Statement" which is delivered together with this form or thereafter is an integrated part of this Agreement.

CHANGE OF NAME, ADDRESS, EMPLOYMENT STATUS: You understand and agree that you must report to us any change in your name, address or employment status.

CROSS-COLLATERALIZATION: YOU AGREE COLLATERAL SECURING OTHER LOANS WITH THE CREDIT UNION ALSO SECURES THIS LOAN ACCOUNT AS WELL AS ALL OTHER ADVANCES YOU HAVE NOW OR RECEIVE IN THE FUTURE UNDER THIS AGREEMENT, AND ANY OTHER AMOUNTS YOU OWE TO THE CREDIT UNION ON ANY OTHER LOAN OR ADVANCE, FOR ANY REASON NOW OR IN THE FUTURE. THIS CROSS-COLLATERALIZATION PROVISION DOES NOT APPLY TO LOANS SECURED BY PROPERTY USED AS YOUR DWELLING.

SECURITY INTEREST - PLEDGE OF SHARES

You hereby pledge all paid shares and payment on shares, which you now have or hereafter may have in this Credit Union to apply to said loans, interest, late charges, costs or expenses. In the event of default in the payment of installments hereinabove agreed to be paid. You hereby authorize the Credit Union to apply said shares to the payment of said loans, interest, late charges, or expenses. The foregoing pledge of shares does not apply to any shares held in any Individual Retirement Account.

NOTICE: See the statement below for important information regarding your right to dispute billing errors.

COPY RECEIVED: You acknowledge receipt of a copy of this MasterCard Credit Card Agreement and Federal Truth-In-Lending Disclosure Statement and agree to and accept its terms.

YOUR BILLING RIGHTS

This notice contains important information about your rights and responsibilities under the Fair Credit Billing Act. KEEP THIS NOTICE FOR FUTURE USE.

NOTIFICATION IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR BILL

If you think your bill is wrong, or if you need more information about a transaction on your bill you must write to us on a separate sheet at the address listed on your bill. You should 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 doing so will not preserve your rights. Our number is (714) 850-5157.

In your letter, you should 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. If you have authorized us to pay your credit card bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us three (3) business days before the automatic payment is scheduled to occur.

YOUR RIGHTS AND YOUR 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 the statement 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 did not 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 that 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 us within ten (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 you and us when it finally is.

If we don't follow these rules, we can't collect the first \$50.00 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 goods 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 goods or services. There are two limitations on this right:

- (a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address.
- (b) The purchase must have been more than \$50.00.

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

**MASTERCARD
AGREEMENT AND
FEDERAL
TRUTH-IN-LENDING
DISCLOSURE
STATEMENT**

**IMPORTANT DOCUMENTS
PLEASE KEEP FOR
YOUR RECORDS**

EFFECTIVE 2-1-10



**AUTO CLUB
FEDERAL CREDIT UNION**

P.O. Box 25333, Santa Ana, CA 92799-5333

Costa Mesa: (714) 850-5157

Cerritos: (562) 924-1843

Lost or Stolen: 1-800-237-2763

In this Agreement the words YOU, YOUR, and YOURS mean each and all those who apply for or use the AUTO CLUB FEDERAL CREDIT UNION Credit Card. WE, US, OUR and OURS mean AUTO CLUB FEDERAL CREDIT UNION. CARD means the MasterCard Credit Card issued to you and any duplicates and renewals we may issue.

You agree to the following terms and conditions and any amendments thereto. By requesting and receiving, signing, using or permitting others to use a Card issued to you by us, you agree to the following terms:

**TERMS APPLICABLE TO
MASTERCARD CREDIT CARD**

PAYMENT: You promise to repay us at our office, or at the address set forth on your periodic statement, all sums advanced to you or any other person you permit to use this account on the terms and at the rates set forth herein.

Payments made at our credit union office will be posted to your account the following business day.

PERIODIC FINANCE CHARGE, PERIODIC RATE AND ANNUAL PERCENTAGE RATE:The daily periodic rate used in calculating periodic FINANCE CHARGE and the corresponding ANNUAL PERCENTAGE RATE is disclosed on the attached MasterCard Acceptance Letter.

The Daily Periodic Rate and corresponding Annual Percentage Rate FINANCE CHARGES on Discounted Preferred Rate will be computed on a variable interest rate.

- (1) **EFFECTIVE DATE FOR RATE CHANGES:** The applicable interest rate at which interest is computed will be changed effective on the first anniversary of the card issue date (the "Change Date".)
- (2) **HOW THE APPLICABLE INTEREST RATE IS CALCULATED:** The new applicable interest rate will be determined by applying the then current Preferred Rate.
- (3) **EFFECT OF INTEREST RATE INCREASE OR DECREASE:** This has the effect of increasing the number of payments required to pay the balance in full.
- (4) If you make a balance transfer or initiate a Convenience Check for \$750 or more the Discounted Preferred Rate will remain in effect for one year from the date of the Balance Transfer or initiating the Convenience Check.

HOW TO COMPUTE THE PURCHASES BALANCE (CONSISTING OF TRANSACTIONS RELATED TO PURCHASES OF PROPERTY AND SERVICES) UPON WHICH PERIODIC FINANCE CHARGES ARE ASSESSED:

Average Daily Balance (including new purchases): To avoid incurring an additional Periodic FINANCE CHARGE on the balance of Credit Purchases reflected on your periodic statement and on any new Credit Purchases appearing on your next periodic statement, you must pay the New Balance shown on your statement on or before the Payment Due Date. The Periodic FINANCE CHARGE for a billing cycle is computed by applying the monthly periodic rate to the Average Daily Balance of Credit Purchases, which is determined by dividing the sum of the daily balances during the billing cycle by the number of days in the cycle. Each daily balance is determined by adding to the Previous Balance of Credit Purchases any new Credit Purchases posted to your account and subtracting any payments as received and credits as posted to your account, but excluding any unpaid FINANCE CHARGES. You have until the Payment Due Date to pay the New Balance without incurring additional FINANCE CHARGES. If the New Balance is not paid in full during this grace period FINANCE CHARGES will be assessed using the Average Daily Balance method as explained above.

HOW TO COMPUTE THE ADVANCES BALANCE (CONSISTING OF TRANSACTIONS RELATED TO CASH AND OTHER ADVANCE TRANSACTIONS) UPON WHICH PERIODIC FINANCE CHARGES ARE ASSESSED:

Average Daily Balance (including new advances): The Periodic FINANCE CHARGE for a billing cycle is computed by applying the monthly periodic rate to the average daily balance of Cash Advances which is determined by dividing the sum of the daily balances during the billing cycle by the number of days in the cycle. Each daily balance of Cash Advances is determined by adding to the Previous Balance of Cash Advances any new Cash Advances as of the transaction date or the first day of the billing cycle in which posted, whichever is later, and subtracting any payments as received and credits as posted to your account, but excluding any unpaid FINANCE CHARGES.

This determines your total FINANCE CHARGE for the billing cycle. Actual FINANCE CHARGES will be shown on your periodic statement.

MINIMUM MONTHLY PAYMENT: We will mail you a statement every month showing your Previous Balances of purchases and cash advances, the current transactions on your account, the remaining credit available under your Credit Line, the New Balance of purchases and cash advances, the Total New Balance, the FINANCE CHARGE due to date, any other billed fees, and the Minimum Monthly Payment required. Every month you MUST pay at least the Minimum Monthly Payment by the Payment Due Date shown on your statement. You may, of course, pay more frequently, pay more than the Minimum Monthly Payment, or pay the Total New Balance in full, and you will reduce the FINANCE CHARGE by doing so. The Minimum Monthly Payment will be either (a) 3% of your total New Balance, or \$25.00, whichever is greater, or (b) your total New Balance, if it is less than \$25.00, plus (c) any amount shown on your statement(s) as past due, and any late charges and fees. In addition, at any time your total New Balance exceeds your Credit Line, you MUST immediately pay the excess. You understand that your Minimum Monthly Payment and other payments are applied in the following order: (a) unpaid fees and charges, if any, (b) unpaid periodic FINANCE CHARGES and (c) unpaid balance on advances and purchases.

FEES FOR MASTERCARD SERVICES:

Annual Fee: Initial Annual fee of \$15.00 and yearly thereafter on the Standard Rate program. You are entitled to a rebate of your \$15.00 annual fee if you have a total (at time of your renewal) of \$3,000 in purchases, cash advances, and less returns.

Cash Advance Fee: The Credit Union does not charge fees for cash advances. Consult other institutions concerning cash advance fees. Minimum cash advance at the Credit Union is \$50.00.

Late Charge: If the Credit Union does not receive at least your Minimum Periodic Payment by the Date Payment Due shown on your Previous billing statement, it will impose a late charge of \$10.00.

Lost Card Fee: A charge of \$35.00 will be assessed for reissuance of a lost, misplaced or stolen card.

CREDIT LIMIT: We will establish a Credit Limit for you. You agree not to let the unpaid balance exceed this Credit Limit. You agree to advise us of any change in your financial condition which may affect your creditworthiness. You agree that you shall update the credit information that you have provided us, from time to time, on our demand. You may request an increase in your Credit Limit, but Credit Limit increases must be approved by the Credit Union.

ADVANCES AND PURCHASES: You may request advances and make purchases in accordance with the current loan policies up to your credit limit. You understand that all advances and purchases requested by you are subject to our approval.

CONVENIENCE CHECKS: You may also access your credit line by utilizing the MasterCard Convenience checks that are provided to you.

- (1) Credit Union will honor and pay checks up to your credit limit as long as they are drawn on forms authorized by the credit union and presented before the expiration date on the check.

- (2) You may request a stop payment on any check payable against your account but it must be in writing. Credit Union must receive the written request in time to afford a reasonable opportunity to act upon it by their rules. A stop payment is only honored for six (6) months.

- (3) If a MasterCard is reported lost or stolen, the Convenience Checks are null and void.

- (4) You agree to hold the Credit Union harmless and to indemnify us from any liability incurred due to a delay or misrouting of the Convenience Check where the delay or misrouting is caused by markings placed on the check by you or a prior endorser that obscure any depository endorsement placed by the credit union or its agent.

- (5) For the purpose of calculating finance charges, Convenience Checks are the same as cash advances.

- (6) Credit Union may recognize the signature of anyone who signed the credit application for the MasterCard account as authorized to transact any business on this account.

- (7) Convenience Checks may not be used to pay any amount you owe under this Agreement or under any other credit agreement or account you hold with the credit union.

USING THE CARD: To make a purchase or cash advance, there are two alternative procedures to be followed. One is for you to present the Card to a participating MasterCard plan merchant, to us or to another financial institution, and sign or authorize the sales or cash advance draft. The other is to complete the transaction by using your Personal Identification Number (PIN) in conjunction with the Card in an Automated Teller Machine or other type of electronic terminal that provides access to the MasterCard system. The MasterCard and/or Account may not be used for any illegal activity or transaction. Further, you may not utilize the MasterCard and/or Account for the purchase of any goods or services on the Internet that involve illegal gambling of any sort. Such transactions include, but may not be limited to, any quasi-cash or illegal online gambling transaction, any electronic transaction conducted over an open network, and any illegal betting or wagering. However, in the event that a charge or transaction described in this paragraph is approved and processed, you will still be responsible for such charges.

LOST OR STOLEN CARDS: To report lost or stolen cards, the account number, PIN or any combination of the three, you may call (800) 237-2763 anytime including after business hours, weekends and holidays.

LIABILITY FOR UNAUTHORIZED USE: You will generally not be liable for the unauthorized use of your credit card when such use is deemed a "MasterCard Transaction" by MasterCard International (such as use of the credit card to purchase goods or services from merchants.) When such use is not deemed a "MasterCard Transaction" by MasterCard International (such as use of the credit card to obtain a cash advance at an ATM), or where you have not exercised reasonable care in safeguarding your credit card, or when you have reported two (2) or more incidents of unauthorized use within the preceding twelve (12) months, or where your account is not in good standing, you may be liable for such unauthorized use. In any case, you will not be liable for unauthorized use that occurs after you notify Auto Club Federal Credit Union at P.O. Box 25333, Santa Ana, California 92799-5333, orally or in writing, of the loss, theft, or possible unauthorized use, and your liability will not exceed \$50.

ELECTRONIC FUNDS TRANSFER: In the event a use of the Card, or the account number of the Card, constitutes an Electronic Funds Transfer, the terms and conditions of your Electronic Funds Transfer Agreement and Disclosure shall govern such transactions to the extent your Electronic Funds Transfer Agreement and Disclosure expands or amends this Agreement.

PREPAYMENT OR IRREGULAR PAYMENTS: Though you need only pay the Minimum Monthly Payment, you understand that you have the right to repay your loan at any time without penalty. You also understand that you will only be charged periodic FINANCE CHARGES to the date you repay your entire loan. You may make larger payments without penalty and this may reduce the total amount of FINANCE CHARGES that you will repay. Any partial payment of your loan will not advance your next payment due date(s). You understand that any payment that (a) delays or (b) accelerates the repayment of your unpaid balance will (a) increase or (b) decrease your FINANCE CHARGES.

DEFAULT: You will be in default if you do not pay on time or in the proper amount, or if you fail to live up to the terms of this Agreement. You will also be in default if you become insolvent, are the subject of bankruptcy proceedings, or die. We may also declare you to be in default if we determine in good faith that the prospect of your payment or performance is impaired. In the event of any action by us to enforce this Agreement, you agree to pay the costs thereof, reasonable attorneys' fees, and other expenses. You understand that FINANCE CHARGES at the ANNUAL PERCENTAGE RATE as permitted under this Agreement will continue to accrue until you repay your entire loan.

CROSS DEFAULT: You understand and agree that any breach or default of the terms and conditions of this Agreement for the MasterCard Account shall also be deemed to be a default of any and all other Loans, Line of Credit Accounts and Credit Card Agreements you now have with the Credit Union or obtain in the future with the Credit Union. Further, you understand and agree that any breach or default of the terms and conditions of any other Loans, Line of Credit Accounts or Credit Agreements you now have with the Credit Union or obtain in the future with the Credit Union shall be deemed to be a default of the terms and conditions of the agreement for this MasterCard Account. This "Cross Default" Agreement shall not apply to any Loan, Line of Credit Account or Credit Card Agreement secured by real property or where otherwise prohibited by Federal or State Law or Regulation.

ACCELERATION: If you are in default, we may demand immediate payment of the unpaid balance, FINANCE CHARGES, late charges, overlimit fees, and collection costs, if any. You understand that you will be subject to FINANCE CHARGES (at the applicable periodic rate), late charges, overlimit fees and collection costs under the terms disclosed in this Agreement, until you repay your entire loan. You also agree to pay our reasonable attorneys' fees and court costs.

RESPONSIBILITY: You agree to repay us according to the terms of this Agreement for all advances, purchases, FINANCE CHARGES, late charges, and overlimit fees, if any, arising from the use of the account by you or any other person you permit to use your account, even if that person exceeds your permission. Any person using the account is jointly and severally responsible with you.

TRANSACTION SLIPS: Your monthly statement will identify the 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. You will retain the copy of such slips furnished at the time of the transaction in order to verify your monthly statement. We may make a reasonable charge for photostatic copies of slips you request.

PLAN MERCHANT DISPUTES: We are not responsible for the refusal of any plan merchant or financial institution to honor the Card. We are subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the Card only if you have made a good faith attempt but have been unable to obtain satisfaction from the plan merchant, and (a) your purchase was made in response to an advertisement we sent or participated in sending you; or (b) your purchase cost more than \$50.00 and was made from a plan merchant in your state or within 100 miles of your current mailing address. Any other dispute you must resolve directly with the plan merchant.