

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, increased by an adjustment factor established from time to time by MasterCard International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. We will charge a 1% Foreign Transaction Fee for all international purchases, cash disbursements and Account credit transactions.

ADDITIONAL PROVISIONS: Each provision of this Agreement must be considered part of the total Agreement and cannot in any way be severed from it. However, if any provision of this Agreement is finally determined to be void or unenforceable under any law, rule, or regulation, all other provisions of this Agreement will remain valid and enforceable. You understand that this Agreement is performable in the county and state of the credit union shown above in this Agreement, and the validity, construction, and enforcement of this Agreement shall be governed by applicable federal law and the laws of the state in which the credit union shown above is primarily located. We do 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 we are not responsible for the refusal of any merchant or financial institution to honor your Card. The Card remains our property at all times, and you agree to immediately surrender the Card upon demand. You agree to pay all reasonable costs of collection, including court costs and attorney's fees, and any costs incurred in the recovery of the Card. We can accept late payments or partial payments, or checks or money orders marked "payment in full" without losing any of our rights under this Agreement. We can also delay enforcing any of our rights under this Agreement without losing them. You expressly waive presentment for payment, demand, protest, and notice of protest and dishonor of same. You agree to give us prompt notice of any change in your name, mailing address, telephone number or place of employment.

RECEIPT OF AND AGREEMENT TO TERMS AND CONDITIONS OF AGREEMENT: By signing an application for the Card or by using the Card, you agree to all the terms and conditions and promise to perform all the obligations, requirements, and duties contained in this Agreement, and you acknowledge receipt of a copy of this Agreement.

GALVESTON GOVERNMENT EMPLOYEES CREDIT UNION, P.O. BOX 1081, GALVESTON, TX 77553 issues your credit card under this Agreement.

WHAT TO DO IF THERE IS AN ERROR ON YOUR STATEMENT

NOTICE OF 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 Errors or Questions About Your Statement. If you think your statement is wrong or if you need more information about a transaction on your statement, 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 statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information: (1) Your name and Account number, (2) The dollar amount of the suspected error, (3) 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 business days before the automatic payment is scheduled to occur.

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 statement 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 statement that are not in question.

If we find that we made a mistake on your statement, 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 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 to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. 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 statement 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 if not within your home state, 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 mailed you the advertisement for the property or services.

CUSTOMER SERVICE: (800) 442-4757 – 24 hours a day/7 days a week. (Please have account information available.)

IMPORTANT DISCLOSURE INFORMATION

STANDARD ANNUAL PERCENTAGE RATE (APR) for Purchases, Balance Transfers, Cash Advances for:	Platinum MasterCard: 8.00% Gold MasterCard: 10.00% Standard MasterCard: 15.00%
Grace Period for Repayment of balances for Purchases	You have not less than 25 days to repay your balances for purchases before a finance charge will be imposed.
Method for Computing the Balance for Purchases	Average Daily Balance (including new purchases)*
Minimum Finance Charge	None
Transaction Fee for Purchases	None, except for foreign transactions
Transaction fee for cash advances	None
Over Credit Limit Fee	None
Late-payment Fee	\$25
Foreign Transaction Fee:	1% of the transaction amount

Returned Check Fee: \$30

*Assumes that credit extended for purchases will not be repaid within grace period. The information about the costs of the cards described in this application is accurate as of August 2008. This information may have changed after that date. To find out what may have changed, call us collect at 409/765-5773 or write to us at P.O. BOX 1081, GALVESTON, TX 77553 G10882

CREDIT CARD AGREEMENT AND DISCLOSURE STATEMENT FOR YOUR GALVESTON GOVERNMENT EMPLOYEES CREDIT UNION MASTERCARD®/ STANDARD, MASTERCARD® GOLD AND MASTERCARD® PLATINUM ACCOUNT

Notice: Read and retain this copy of your Credit Card Agreement and Disclosure Statement for future reference.

TERMS USED IN THIS AGREEMENT: This Agreement and Disclosure Statement ("Agreement") covers your MasterCard® Standard, MasterCard® Gold and MasterCard® Platinum Account ("Account"). In this Agreement, the words "you" and "your" mean any person who signs this Agreement or uses the Card. "We," "our," and "us" mean GALVESTON GOVERNMENT EMPLOYEES CREDIT UNION, the issuer of your MasterCard credit 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 an advance whether or not the purchase or advance is evidenced by a signed written document. "Unauthorized use of the Card" means the use of the Card by a person, other than you, who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit. In this Agreement, any plural terms shall be deemed singular and any singular terms shall be deemed plural when context and construction so require.

EXTENSION OF CREDIT: If your application is approved, we may, at our discretion, establish an 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 us to pay for your Account all items reflecting credit purchases and cash advances obtained through use of the Card.

JOINT APPLICANT LIABILITY: If more than one person executes this Agreement, each of you shall be jointly and individually liable to us for all charges made to the Account, including applicable fees. In addition, you agree that each of you designates the other as agent for the purpose of making purchases extended under this Agreement and each use of your Account shall be an extension of credit to all. Notice to one of you shall constitute notice to all. Any joint cardholder may remove himself or herself from responsibility for future purchases at any time by notifying us in writing. However, removal from the Account does not release you from any liability already incurred.

CONVENIENCE CHECKS: We may issue checks at our discretion that 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 that 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 \$5; Stop Payment on Check \$15; Non-Sufficient Funds Check (NSF) \$30.00. Fees will be assessed at the time they are incurred.

OTHERS USING YOUR ACCOUNT: If you allow anyone else to use your Account, you will be liable for all credit extended to such persons. You promise to pay for all purchases and cash advances made by anyone you authorize to use your Account, whether or not you notify us that he or she will be using it. If someone else is authorized to use your Account and you want to end that person's privilege, you must notify us in writing, and if he or she has a Card, you must return the Card with your written notice for it to be effective.

CREDIT LIMITS: You promise that payments we make for your Account resulting from use of the Card will at no time cause the outstanding balance of your Account to exceed your credit limit as established by us or as adjusted from time to time at our discretion.

PROMISE TO PAY: You promise to pay us in U.S. dollars for (a) all purchases and cash advances made by you or anyone whom you authorize to use the Card or Account; (b) **FINANCE CHARGES** and other charges or fees; (c) collection costs and attorney's fees as permitted by applicable law, and any costs incurred in the recovery of the Card; and (d) credit in excess of your credit limit that we may extend to you. At the end of each monthly billing cycle for which you have a balance on your Account, 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 cash advances, purchases, Over-the-Limit Fees, Late Charges, Annual Fees, **FINANCE CHARGES**, and other charges or fees 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) minus (iii).

You agree to pay on or before the "Payment Due Date" shown on the monthly periodic statement the entire New Balance or a Minimum Payment equal to an amount which is at least 5% of the New Balance or \$18, whichever is greater, plus any amount in excess of the credit limit established by us and any past due minimum payments. If the New Balance is \$18 or less, you agree to pay it in full. You may make extra payments in advance of the due date without a penalty, and you may repay any funds advanced, credit extended, or amount outstanding at any time without a penalty for early payment. Regardless of the amount of any extra payment during a given month, a monthly payment will be required the following month if a balance remains in your Account.

COST OF CREDIT: You will pay a **FINANCE CHARGE** for all advances made against your Account. **FINANCE**

CHARGES for cash advances begin to accrue on the date of the advance. 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 Date shown on your previous monthly statement, or if there was no previous balance. The Payment Due Date will be not less than 25 days from the billing cycle closing date shown on your statement. No additional **FINANCE CHARGE** will be imposed on purchases whenever you pay the Account in full on or before the Payment Due Date reflected on your statement.

For your MasterCard Platinum Account, the periodic rate used to compute the **FINANCE CHARGE** is 0.021918% per day, which corresponds to an **ANNUAL PERCENTAGE RATE** of 8.00%. For your MasterCard Gold Account, the periodic rate used to compute the **FINANCE CHARGE** is 0.027397% per day, which corresponds to an **ANNUAL PERCENTAGE RATE** of 10.00%. For your MasterCard Standard Account, the periodic rate used to compute the **FINANCE CHARGE** is 0.041096% per day, which corresponds to an **ANNUAL PERCENTAGE RATE** of 15.00%.

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 certain current transactions. The Average Daily Balance is arrived at by taking the beginning balance of your Account each day, adding in any new cash advances, and unless you pay your Account in full by the Payment Due Date shown on the previous monthly statement or there is no previous balance, adding in new purchases, and subtracting any payments or credits and unpaid **FINANCE CHARGES**. This gives us the daily balance. 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.

No additional **FINANCE CHARGES** will be imposed on new purchases shown on your statement if the New Balance shown on the statement is paid in full by the Payment Due Date reflected on the statement. The Payment Due Date is not less than 25 days from the billing cycle closing date shown on your statement.

LIABILITY FOR UNAUTHORIZED USE [MasterCard Issuers]: 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 us orally or in writing at the Credit Card Center, PO Box 815909, Dallas, TX 75381-5909, telephone number (800) 442-4757, of the loss, theft, or possible unauthorized use and you meet the following conditions: (i) you have exercised reasonable care with the Card; (ii) you have not reported two or more incidents of unauthorized

Card use within the previous 12 months; and (iii) 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 and you will not be liable for any unauthorized use that occurs after you notify us (or our designee) at the address or telephone number above.

CREDITING OF PAYMENTS: All payments made on your Account at the address designated for payment on the monthly periodic statement will be credited to your Account on the date of receipt. If the date of receipt is not a business day, your payment will be credited on the first business day following receipt. All payments on your Account will be applied first to collection costs, then to any **FINANCE CHARGE** and other fees due, and then to the unpaid principal balance. Interest paid or agreed to be paid shall not exceed the maximum amount permissible under applicable law, and in any contingency whatsoever, if we shall receive anything of value deemed interest under applicable law which would exceed the maximum amount of interest permissible under applicable law, the excessive interest shall be applied to the reduction of the unpaid principal amount or refunded to you.

LATE CHARGE: We will add a late fee in the amount of \$25.00 to the balance for each billing period if you fail to pay, by its due date, the minimum amount due.

RETURNED CHECK FEE: We will charge you a Returned Check Fee of \$30.00 each time you send us a payment that is returned unpaid for any reason. We will charge you this fee the first time any payment is returned unpaid, even if it is paid upon resubmission.

DEFAULT: You will be in default: (i) if you fail to make any payment on time; (ii) if you exceed your authorized credit limit; (iii) if you fail to keep any promises you have made under this or any other agreement with us; (iv) if you are the subject of an order of relief under Title 11 of the U.S. Code (Bankruptcy); (v) if anyone tries, by legal process, to take any of your money maintained with us; (vi) if you have given us false or inaccurate information in obtaining your Card; or (vii) if we reasonably believe that you are unable or unwilling to repay your obligations to us.

ACCELERATION: If you are in default, without notice to you we may accelerate your debt and call any amounts you owe immediately due and payable, plus **FINANCE CHARGES** that will continue to accrue until the entire amount is paid. You expressly waive any right to notice of our intent to accelerate and right to notice that your debt has been accelerated.

TERMINATION AND CHANGES: You may terminate this Agreement, by written notice, as to future advances at

any time. We can 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 resulting from use of the Card as well as **FINANCE CHARGES** and other related charges. We may change the terms of this Agreement, including the periodic rate, at any time subject to such notice as may be required by applicable law. If you use your Card or Account to make a purchase or obtain a cash advance 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.

NOTIFICATION ADDRESS FOR INFORMATION REPORTED TO CONSUMER REPORTING AGENCIES: We may report the status and payment history of your Account to credit reporting agencies each month. If you believe that the information we have reported is inaccurate or incomplete, please notify us in writing at GALVESTON GOVERNMENT EMPLOYEES CREDIT UNION, P.O. BOX 1081, GALVESTON, TX 77553. Please include your name, address, home telephone number, and Account number.

CREDIT INVESTIGATION: In conjunction with your application for credit and, if approved, maintenance of your Account, you agree that we have the right to investigate your credit and employment history, to verify your credit references, to request and use credit reports, and to report the way you pay your Account to credit bureaus and other interested parties.

ILLEGAL TRANSACTIONS [MasterCard Users]: You may not use your Card for any illegal transaction. You agree that we may decline to process any transaction that we believe in good faith to be for an illegal purpose. You agree that we will not be liable for declining to process any such transaction. If we do process any transaction that ultimately is determined to have been for an illegal purpose, you agree that you will remain liable to us under this agreement for any such transaction notwithstanding its illegal nature. 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 us for your illegal use of the Card and to indemnify and hold us MasterCard International, Incorporated harmless from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

CURRENCY CONVERSION [MasterCard User]: If you effect a transaction with your MasterCard in a currency other than U.S. dollars, 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