

CARDHOLDER AGREEMENT

You agree to the following terms and conditions and any amendments thereto.

Accepting This Agreement: Before you use the Safe 1 Credit Union MasterCard® credit card issued to you, please read this Agreement thoroughly, because by using the credit card you will be agreeing with us to the terms and conditions stated in this Agreement. If you do not wish to be bound by this Agreement, do not use the credit card, and write to us and tell us that you wish to cancel your credit card account with us. If you have received a card or checks to access the card account and disagree with the terms of this Agreement, please destroy them.

Definitions: In this Agreement the words "you", "your", and "yours" mean each and all of the person(s) who apply for and/or use the card, the words "credit card" mean the Safe 1 Credit Union MasterCard® credit card, and the words, "we", "our", "us", and "Credit Union" mean the Safe 1 Credit Union.

Liability of All Cardholders and Authorized Users: You understand that you are liable for the payment of all sums due under this Agreement. If there is more than one borrower or authorized user on this account, each person, individually, and all persons jointly are obligated to repay all sums due under this Agreement. You agree that all statements made in your application for your credit card were for the purpose of obtaining credit and are true, correct, and complete to the best of your knowledge and belief.

Credit Limit: If your application for a Safe 1 Credit Union MasterCard® credit card account is approved, we will establish a line of credit for you and notify you of its amount and terms within a separate disclosure which is made part of this Agreement by reference. Your credit limit may increase or decrease from time to time. Your monthly statements will show the amount of credit available to you for purchases and cash advances as of the statement date. We will give you written notice of any change in your credit limit. All requests for credit limit increases must be done by completing an application with Safe 1 Credit Union. You agree not to let your account balance exceed your approved credit limit. You also agree to pay us the amount of any transactions on your account in excess of your credit limit along with your regular minimum payment at your next scheduled payment due date. Each payment you make on the account will restore your credit limit by the amount of the payment which is applied to the principal amount of the outstanding balance. Purchases and advances are subject to daily limits that may restrict the full use of your credit limit.

Pledges of Shares: CONSENSUAL PLEDGE of SHARES; Consensual Lien; Statutory Lien; Right to Set-off; Administrative Freeze: By signing the Loan Application or Consumer Lending Plan, and/or by accessing, using, or otherwise accepting any funds, accounts or services, you grant us, and we impress, a lien on your shares and deposits in the Credit Union. We also have similar statutory lien rights in your shares and deposits under applicable state law, as well as the common law right to set-off and administrative freeze. "Shares," "share accounts," "deposits," and "deposit accounts" means any and all funds, regardless of the source of those funds, in any joint or individual account held and whether your interest in the account(s) is direct, indirect, contingent or secondary and whether held now or in the future.

Your pledge and our lien rights do not include any IRA, Keogh or other account which would lose special tax treatment if pledged, or any irrevocable trust or fiduciary account in which you do not have vested ownership interest. If you default, we may apply the funds in your share accounts and deposit accounts to any obligations you owe us, without any legal process, court proceeding or any notice to any owner of the affected share and deposit accounts, unless applicable law so requires. You specifically agree that we have the right to place an administrative freeze on any of your share and deposit accounts subject to applicable law, and such action shall not violate 11 USC 362 or other applicable law. These rights are multiple and we can exercise one or all of them.

Personal Identification Number: A Personal Identification Number (PIN) may be obtained by calling (888) 891-2435. This PIN may be used by you with your credit card to obtain a cash advance on your account at any Automated Teller Machine (ATM) displaying the MasterCard® logo or to make purchases at any designated point of sale (POS) machine. Please keep your PIN confidential and do not write it on or keep it with your credit card.

Credit Information: You authorize the Credit Union to investigate your credit standing when opening or reviewing your account. You authorize the Credit Union to disclose information regarding your account to credit bureaus and creditors who inquire about your credit standing. Pursuant to state law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations. You agree that we have the right to refuse future advances under your line of credit or reduce your credit limit upon any subsequent review of your creditworthiness, should your creditworthiness change substantially as defined by the Credit Union.

Change of Name, Address, Employment, Telephone: You agree to promptly notify us of any change in your name, address, employment, or telephone number. You may update this information by visiting any Safe 1 Credit Union branch location or calling 661-327-3818.

Balance Transfers: When the Credit Union uses the term "balance transfer" this refers to the transfer of balances from other lenders to your Safe 1 Credit Union credit card.

Purchases/Cash Advances: You may access your account using three different methods:

- 1. Purchases:** You may use your credit card and/or Account to pay for goods and services at participating MasterCard® merchants.
- 2. Cash Advances:** You may use your credit card to obtain cash from a participating MasterCard® financial institution or from an authorized Automated Teller Machine (ATM) along with your Personal Identification Number (PIN) issued by us, or selected by you, or by use of MasterCard® Convenience Checks.
- 3. Balance Transfer:** You may transfer balances to your account from another creditor.

You agree to repay all advances for purchases, cash advances and balance transfers made to you or at the request of a joint borrower or authorized user under this Agreement, and you understand that all purchases, cash advances and balance transfers will be subject to the terms of this Agreement. Cash advances cannot be used to pay any amount you owe under this Agreement or under any other credit agreement or account you have with us now or in the future. Safe 1 Credit

Union will not be responsible or liable to you should anyone refuse to accept or honor your card for any reason nor will we be liable should anyone retain your card and not return it to you.

Minimum Monthly Payments: Each month you are required to pay a minimum monthly payment plus any payment past due. You will receive a statement for each monthly billing period in which your account has an outstanding or credit balance. The minimum monthly payment on your account is calculated at 2.5% of the statement balance or \$25, whichever is greater. Your payment due date will be scheduled on the 10th. calendar day of each month. Any outstanding balance less than \$25 is payable in full. You may pay more frequently, pay more than the minimum payment or pay the total balance in full. If you make extra or larger payments, you are still required to make at least the minimum payment each month your account has a balance. If your account balance is greater than your limit or your account is past due, you will be billed for the greater of: the minimum monthly payment; or the past due amount; or the Overlimit amount. If the account is not paid down to the limit or below, the account is subject to closure. The minimum monthly payment must be received at the payment center on or before the payment due date reflected on the front of your monthly billing statement or the payment may be considered past due. If different Annual Percentage Rates apply to different balances, the Credit Union will apply any payment above the minimum payment first to the highest Annual Percentage Rate, and any remaining portion to the other balances in descending order based on the applicable Annual Percentage Rate. If you have a credit balance on your account due to merchant credits, adjustments or overpayments, we will hold and apply this credit balance against future purchases and cash advances, or refund it at your written request. An increase or decrease in the Annual Percentage Rate may result in an increase or decrease in your monthly payment.

Minimum Payment Warning: Making only the minimum payment will increase the amount of interest you pay and the time it takes to repay your balance in full. For detailed repayment information, refer to your periodic statement.

Authorizations: You agree to not hold the Credit Union liable for failing to approve or authorize any transactions. We may limit and/or deny approvals or authorizations for purchases, or other activity, if we detect unusual or suspicious activity. When authorizations are granted for purchases or cash advances, a hold is placed against your account that will affect the amount of available credit you have. The Credit Union will not be liable if a merchant, financial institution or ATM fails to honor your card or transaction.

Membership Requirement: You must be a Member in good standing to be eligible for a credit card with us. We may suspend card privileges, including closing your account, if you do not maintain your Membership with us in good standing.

Responsibility for Account: You agree to repay us according to the terms of this Agreement for all purchases, advances, finance charges, fees and collection costs, if any, arising from the use of this account by you or any other person you permit to use your card and/or account (even if that person exceeded the amount for which you gave permission). If you decide to close your account you must notify us orally or in writing and return all card(s) on the account. You remain liable for any transactions to the account that we cannot prevent after you notify us. Any person using the account and/or card is jointly and severally responsible for all charges on the account.

Lost, Stolen or Unauthorized Use: You agree to notify the Credit Union immediately by telephone or in writing if your card becomes lost, stolen, or if you suspect unauthorized use. This would include loss, theft, or unauthorized use of the physical credit card, or any other instruments identifying the credit card. You agree to reasonably assist the Credit Union in determining the facts and circumstances relating to any unauthorized use of the account or theft of any material or information identifying the account. See **Your Billing Rights** for further information.

Rewards Cards Terms and Conditions: If you are participating in the Safe 1 Credit Union MasterCard® Rewards Program, we have provided you with a separate written disclosure stating additional Terms and Conditions of your Rewards Card account, and that disclosure is made part of this Agreement by this reference.

Annual Percentage Rate: Safe 1 Credit Union offers two credit card programs, a MasterCard® Platinum Card Without Rewards and a MasterCard® Platinum With Rewards. Both programs will offer **Variable Rate Pricing** which will be based upon an index plus a margin. Your rate will be based on a variety of factors which includes your credit rating. Upon approval of your credit card application, you will receive a separate written disclosure stating, among other items, your credit limit and **Annual Percentage Rate** for purchases and cash advances. This separate written disclosure is made part of this agreement by reference.

Variable Rate Margins

Transaction Type	Credit Tier	Non-Rewards	Rewards
Purchases, Cash Advances, Balance Transfers	Tier 1	Margin 4.50%	Margin 6.50%
Purchases, Cash Advances, Balance Transfers	Tier 2	Margin 6.50%	Margin 8.50%
Purchases, Cash Advances, Balance Transfers	Tier 3	Margin 9.50%	Margin 11.50%
Purchases, Cash Advances, Balance Transfers	Tier 4	Margin 11.50%	Margin 13.50%
Purchases, Cash Advances, Balance Transfers	Tier 5	Margin 13.50%	Margin 15.50%
Purchases, Cash Advances, Balance Transfers	Tier 6	Margin 16.50%	Margin 18.50%

MasterCard® Platinum Credit Card Program

The following information regarding **Index, Margin, Annual Percentage Rate, Monthly Periodic Rate, Penalty Rate, Limitations on Change, Calculations of Interest Charge, Late Charge, and Other Charges apply to Safe 1 Credit Union MasterCard® Platinum Rewards and Non Rewards Credit Card Programs.**

Your MasterCard® Platinum Account will be subject to a **Finance Charge (interest)** at an **Annual Percentage Rate** and a corresponding **Monthly Periodic Rate** which will be a standard variable (floating) rate based upon an index plus a margin. The margin applicable to your account will be determined by a variety of factors which includes your credit score.

Index: The Index is the Prime Rate as reported in the Wall Street Journal as of 10 days prior to the 1st calendar day of each month.

Margin: The Margin is the number of percentage points added to the Index, or Prime Rate, to determine your Annual Percentage Rate.

Rate Changes: The Annual Percentage Rate may change on the first day of each new monthly statement cycle. These are known as rate change dates. The Index value used for a given billing cycle will be the Prime Rate published in the Wall Street Journal as of 10 days prior to the 1st calendar day of each month. If more than one rate is published, the Index will be the highest of the rates published. If the Index ceases to be published, the Credit Union will choose a new, comparable, Index and give you notice of its change.

Limitations on Change: There is no limit on the number of rate changes in any one-year period. The maximum Annual Percentage Rate that can apply is 27.50%.

Penalty Rate: If your credit card account is delinquent sixty (60) days or more, we will increase your Annual Percentage Rate on the entire balance to 27.50% after giving you your forty-five (45) day notice of change as required by law (See Amendments Section on following page). The Penalty Rate will continue to apply until you make six consecutive minimum payments when due (beginning with the billing cycle immediately following the application of the Penalty Rate) and do not exceed your credit limit during that time period. If these requirements are met, your credit card Annual Percentage Rate will be restored to the current rate governed by your original credit tier.

Monthly Periodic Rate: The Monthly Periodic Rate is determined by dividing the Annual Percentage Rate by twelve (12 months in a year).

Calculation of Interest Charges (Finance Charge): Interest Charges for each monthly billing cycle will be calculated by multiplying the **Average Adjusted Daily Balance** by the **Monthly Periodic Rate**. We will calculate your **Average Adjusted Daily Balance** as follows: We take the outstanding balance at the end of each day, add any cash advances and other fees, and subtract any unpaid interest or other finance charges and any payments or credits. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide by the number of days in the billing cycle. This gives us the **Average Daily Balance**. **Interest Charges** are imposed only if you do not pay in full the new balance for Purchases shown on your statement within 25 days of the end of the statement or cycle period. This is known as the **Grace Period**. **There is No Grace Period for Cash Advances**. **Interest Charges** for cash advances will accrue from the date that the cash advance transaction is posted to your account to the date the cash advance balance is paid in full or the statement closing date whichever comes first, even if the entire statement balance is paid in full by the payment due date.

Late Charge: Payments are considered late if received fifteen (15) days or more past the scheduled due date. Payments considered late will be imposed a **Late Charge of \$15**.

Minimum Interest Charge: If you are charged interest, the charge will be no less than **\$1.00**

Other Charges: Other charges which may be added to this account and which you agree to pay are as follows:

Annual Fee.....	None
Transaction Fee Purchases.....	None
Foreign Transaction Fee.....	1%
Balance Transfer Fee.....	None
Cash Advance Fee.....	\$10 or 2% of transaction, whichever is greater
Convenience Check Fee.....	None
Card Replacement Fee (No Rush Delivery).....	\$5
Card Replacement Fee (2-Day Delivery).....	\$35
Card Replacement Fee (1-Day Delivery).....	\$55
Picture Cards.....	\$7.95 <i>(first picture card is free, subsequent changes to picture card will be charged)</i>
Copy of Statement.....	\$1.50
Research Fee.....	\$20 per hour, with a \$20 minimum
Document Copy Fee.....	\$10
Returned Payment Fee.....	\$25
Late Fee.....	\$15
Convenience Check Stop Payment.....	\$20
Balance Transfer Stop Payment.....	\$20

Amendments: The Credit Union may amend this Agreement from time to time. Notice of any change will be given in accordance with applicable law. The Credit Union is required by applicable law to give you a forty-five (45) day notice before certain changes to your account become effective. If the Credit Union proposes a change to your account that triggers the forty-five (45) day notice requirement, you will receive a forty-five (45) day notice. A notice will be mailed to your last known address at least forty-five (45) days prior to the effective date of the change. If you receive a forty-five (45) day notice, you have the right to opt-out of the changes. If you elect to opt-out of any changes after notification, you must notify the Credit Union by the due date stated in the notification. If you elect to opt-out, the Credit Union can close your account and you will be required to repay your account balance according to the terms of your existing Agreement. If you do not opt-out, the changes will take effect on the effective date, and the new terms, including any increase or decrease in the charges, shall apply to the credit extended on and after the effective date. Unless we state otherwise, the change will affect any unpaid balance outstanding and any subsequent transactions. The Credit Union reserves the right to amend or terminate the Rewards program or portions thereof at any time.

Cancellation of Card: You may close your account at any time by notifying the Credit Union in writing. However, you remain responsible for the amount you owe the Credit Union according to the terms of this agreement. All cards assigned to your account must be returned to the Credit Union upon cancellation. We have the right to cancel your account at any time with or without cause and without giving you notice.

Illegal Activity: You agree that you will not use or allow others to use your Safe 1 Credit Card for any illegal transaction, such as unlawful gambling. This includes any type of MasterCard® transaction, including convenience check writing. If your card is used for an illegal transaction, the Credit Union may terminate your account. The Credit Union may decline to authorize a transaction that we believe poses an undue risk of illegality or unlawfulness. If illegal use of your card occurs, you waive the right to sue the Credit Union and agree to indemnify and hold the Credit Union harmless for any damages or other liability arising out of or resulting from illegal use of the card. It is your responsibility

to determine the legality of transactions for which your credit card is used, and you cannot use the actual or alleged illegality of a transaction which was made as a defense to your obligation to pay.

Internet Transactions: Your Safe 1 MasterCard® credit card is automatically eligible for the MasterCard® Secure Code program. To make transactions over the Internet, various merchants may request your MasterCard® Secure Code password to complete the transactions. If you have not registered for a MasterCard® Secure Code, you will be prompted by the merchant to do so. If a password is not provided, or you do not successfully register with MasterCard® Secure Code, the merchant may deny the transaction. If the password is incorrect, we may deny the transaction. You can select or change your password and view additional terms online at www.Safe1.org by clicking on the MasterCard® Secure Code link under the "MasterCard Credit Card" tab which can be found on our website under the "Loans" tab. By allowing another person to use your MasterCard® Secure Code password you are authorizing the transaction(s) on your account.

Foreign Currency Transactions: Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. Transactions processed outside of the United States, or in a foreign currency may be charged a foreign transaction fee, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in dollars will be a rate determined by MasterCard® from a range of rates available in wholesale currency markets for the applicable Central Processing Date, which rate may vary from the rate MasterCard® itself receives, or the government-mandated rate in effect for the applicable Central Processing Date in each instance, plus a one percentage point (1%) fee charged by the issuer.

Convenience Checks: You may access your credit line by writing checks provided by us for that purpose. The checks will be honored and paid up to your credit limit as long as the account is not in default. You may request a stop payment on a convenience check by phone or in writing. We must receive the request in time to afford us reasonable opportunity to act upon it under the Credit Union's rules. Oral or telephone requests to stop payment must be confirmed by you in writing to us within fourteen (14) calendar days after your original request, and if not so confirmed, such request will be considered to have lapsed after the fourteen day period. We can only honor a stop payment request for 12 months from the date of request. You agree not to hold us responsible for any claims or liabilities of payees or endorsers on convenience checks for which you have requested payment stopped. You agree not to hold us responsible for the misrouting or delay of a convenience check due to markings placed on the check by you or a prior endorser that obscure any depository endorsement placed by us or our agent. We may recognize the signature of any borrower or authorized user on this account as authorized to transact any business on the account. Convenience checks cannot be used to pay any amount you owe under this Agreement or under any other credit agreement or account you have with us now or in the future. Convenience checks are considered cash advances and accrue interest according to the method described for cash advances under the "Calculation of Interest Charges" heading of this disclosure. Transactions made using convenience checks do not earn Rewards points.

Default/Collection/Attorney's Fees: You will be in default and understand that all loan credit under this Agreement may be terminated if (1) you do not make periodic payments as required by this Agreement, (2) you do not keep any promise made in this Agreement or any other

agreement with this Credit Union, (3) any information that you give us to obtain a loan advance is false, (4) any third party attempts by legal process to take any property belonging to you, (5) you die, become insolvent or are a party to any bankruptcy proceeding, (6) something happens that the Credit Union believes substantially reduces your ability to repay what you owe, or (7) as otherwise provided in this Agreement. If you are in default, we may refuse to make any further advances or refuse charge privileges to you and declare all sums owed under this Agreement immediately due and payable. We may accept late payments or partial payments without losing any of our rights under this Agreement. You understand that if you are in default, we may add to your unpaid balance any reasonable attorney's fees and court costs, all of which you agree to pay.

Waivers and Severability: We may waive or decline to enforce any of our rights under this Agreement without affecting any of our other rights. Should any provision of this Agreement be determined to be invalid or unenforceable, that determination shall not affect the validity or enforceability of any other provision.

Governing Law: This Agreement, your credit card line of credit, as well as our rights and duties and your rights and duties regarding them, will be governed by and interpreted in accordance with federal law and, to the extent federal law does not apply, in accordance with California law, regardless of where you live and use your credit card. This Agreement is made in California. All credit will be extended from California, and all repayments must be made in California.

**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: **Safe 1 Credit Union, PO BOX 2203, Bakersfield, CA 93303, Attn: Credit Card Department.** You may also contact us on our website at www.safe1.org.

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 (or electronically). 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 the 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 the 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 of the amount in 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, 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. (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 (or electronically) at the address or website listed above. 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.

Cardholder Agreement

