

# COMMERCIAL CREDIT CARD ACCOUNT AGREEMENT AND DISCLOSURE

**THIS IS YOUR COMMERCIAL CREDIT CARD AGREEMENT AND IT INCLUDES NECESSARY DISCLOSURE STATEMENTS, VISA BUSINESS AGREEMENTS, AND ANY SPECIAL INSTRUCTIONS REGARDING THE USE OF YOUR VISA BUSINESS CREDIT CARD, AND ANY 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" mean YOLO FEDERAL CREDIT UNION. The words "You" and "Your" mean the borrower and/or entity who accepts this Agreement. The words "Card" and "Credit Card" mean any VISA Business Credit Card issued to You by Us and any duplicates or renewals. The word "Account" means the VISA Business Credit Card Account established for You under this Agreement. "Convenience Checks" mean the special Account access devices that We may provide for Your use from time to time.

**PROMISE TO PAY.** You understand that the following terms and conditions constitute Our Agreement with You. Your Account may be accessible through a variety of means which could include charge slips, Convenience Checks, Credit Cards and the like. Regardless of the access means, 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.

**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.** You hereby grant Us a contractual possessory security interest in and hereby assign, deliver, and pledge all of Your rights, title and interest in and to Your deposit accounts with Us (whether checking, savings, or some other account), including all accounts held jointly with someone else and all accounts You may open in the future (except in all cases, IRA, Keogh and Trust accounts are excluded) and any dividends or interest due or to become due to You from Us.

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

**ACCOUNT RESTRICTIONS.** In order to receive and maintain a Shared Secured VISA Business Credit Card, You agree to give Us a specific pledge of shares which will equal 105% of Your credit limit. In the event that You default on Your Account, We may apply these shares toward the repayment of any amount owed on Your Shared Secured VISA Business Credit Card. You may cancel Your Shared Secured VISA Business Credit Card at any time by paying any amounts owed on Your such Credit Card. To be certain that Your entire balance and all advances on Your Account are paid, any shares pledged may not be available to You for 30 days after You have cancelled and any outstanding balance is paid in full.

**LINE OF CREDIT LIMITS.** You will be notified of the specific Credit Limit for which You are approved. Unless You are in default, such Credit Limit 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.

**LIABILITY OF PARTIES.** All Borrowers are jointly and severally liable on this Agreement. This means that We can require any one of You to pay all amounts due under this Agreement, including credit advances made to any of You. If the terms of this Agreement change, no Borrower is relieved from any liability. You agree that We can renew or extend this Agreement or release any party from liability without the consent or notice to anyone. We may also modify this Agreement with notice only to the party with whom the modification is made.

**MINIMUM MONTHLY PAYMENTS.** 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. As permitted by law, the order in which We may apply payments is 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 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 \$15.00 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, by separate agreement, authorize Us to charge Your payment directly to Your share or share draft account.

**FINANCE CHARGES.** In the case of any transactions under Your Account, the balances subject to the periodic Finance Charge are the average daily transactions balances outstanding during the month (new and previous). To get the average daily balance, We take the beginning balance of Your Account each day, add any new purchases, cash advances, debit adjustments or other charges and subtract any payments, credits and unpaid Finance Charges. This gives Us the daily balance. Then, We add up all the daily balances for the billing cycle and divide them by the number of days in the billing cycle. The Finance Charge for a billing cycle is computed by multiplying the average daily balance subject to a Finance Charge by the Monthly Periodic Rate.

You can avoid Finance Charges on purchases by paying the full amount of the entire balance owed each month within 25 days of Your statement closing 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. Cash advances and balance transfers

are always subject to a Finance Charge from the later of the date they are posted to Your Account or from the first day of the billing cycle in which they are posted to Your Account.

**OTHER FEES AND CHARGES.** You will be charged certain fees and charges associated with Your application for and use of Your Card. For a complete description of those fees and charges, refer to the separate page which We have included with and made part of this Agreement.

**VARIABLE RATE.** All advances 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 first day of each month 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 1st day of each month of each year. Increases or decreases in the Interest Rate will result in like increases or decreases in the Finance Charge and may affect the number of Your scheduled payments. Your Interest Rate will never be greater than 18.00% nor less than 6.99% and will apply to Your remaining principal balance.

**For the applicable Index, Margin, Monthly Periodic Rate and corresponding Annual Percentage Rate, refer to the separate page which We have included with and made part of this Agreement.**

**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 VISA Business Credit Card 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. All Overdraft Protection advances will be classified as a Cash Advance and are subject to the terms and conditions of this Agreement.

**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 mail 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 Fair Credit Billing Act.

**OUR RESPONSIBILITIES TO HONOR CONVENIENCE CHECKS.** We are under no obligation to honor Your Convenience Checks if: (1) by paying a Convenience Check, You would exceed Your Credit Limit; (2) Your Cards or Convenience Checks have been reported lost or stolen; or (3) Your Account has been cancelled or has expired. 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, We may, to the extent permitted by law, cancel Your rights under this Agreement, declare the entire balance of Your Account immediately due and payable, set-off any money owed Us in accordance with the terms of said Agreement and require the return of all access devices, without prior notice or demand.

**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 Agreement 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.

## Additional Provisions of Agreement

**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 applicable law or regulations. 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.

**INTEGRATED DOCUMENTS.** Any separate sheet of paper 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 the 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.

**FINANCIAL INFORMATION.** You agree and warrant: (a) that You are not in default on any obligation for borrowed money, any purchase money obligation or any material lease, commitment, contract, instrument or obligation and that all financial information You have supplied to Us is accurate and complete; (b) to furnish Us within 90 days after the end of Your fiscal year, detailed annual financial statements for Your business prepared (i) in a format acceptable to Us; or (ii) by an independent Certified Public Accountant; and (iii) to furnish Us personal financial statements by April 15 of each year during the term of this Agreement; (c) that there is no lawsuit, tax claim or other dispute pending or threatened against You, which if lost, would impair Your financial condition or that of Your business, or would impair Your ability to repay this loan, except as have been disclosed in writing to Us. You agree to notify Us immediately of any such lawsuit, tax claim or other dispute pending or threatened against You or any other material change in or condition of Your circumstances that may affect the repayment of Your obligation under the terms of this Agreement; (d) to immediately furnish, upon Our request, any records related to the business for which the proceeds of this loan were given; and (e) to permit the Credit Union to inspect, at any time and without notice, the premises of, records of and operations of the business for which the proceeds of this loan were given.

**LIFE INSURANCE.** You promise to maintain life insurance on You and on those of Your employees and agents whom We may specify in the amount and for the period required by Us, with the Credit Union named as the assignee of the beneficial interest, all for Our protection. The proceeds of any such insurance will be applied to Your obligation under the terms of this Agreement and any excess will be paid to the Secondary Beneficiary named in the insurance policy.

**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.

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

**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.** If We have issued You less than 10 Cards for the use of Your employees, 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 the telephone number shown in this Agreement or by writing to Us at the address shown in this Agreement. In any case, Your liability will not exceed \$50.

If We have issued 10 or more Cards for the use of Your employees, You may be liable for the entire amount of unauthorized use.

**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.

**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. For transactions that are initiated in a foreign currency, You will be charged 3.00% of the final settlement amount. For transactions occurring in foreign countries and initiated in U.S. Dollars, You will be charged 3.00% of the final settlement amount.

**TRANSACTION SLIPS.** Your monthly statement will identify that merchant, electronic terminal or financial institution at which transactions were made, but sales, cash advances, 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 the telephone number shown in this Agreement or write to Us at the address shown in this Agreement.

**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 six months.

### 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 Our address shown in this Agreement. 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 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. (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 Our address shown in this Agreement.

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.

# CONTINUING GUARANTY ("GUARANTY")

Amount You are Guaranteeing	Loan Date	Maturity Date	Loan Number
		N/A	

**Borrower(s)**

**Address**

**City, State, Zip**

**1. Definitions.** In this Guaranty, the words "We", "Us", "Our" and "Credit Union" mean Yolo Federal Credit Union. The words "You", "Your" and "Guarantor" mean the party or parties guarantying the indebtedness. "Borrower" means those to whom money has been loaned or credit has been granted.

**2. Guaranty.** To induce the Credit Union to lend money or give credit to the Borrower, You (Guarantor), jointly and severally if more than one, guarantee prompt and full payment of the amount You are guaranteeing, shown above, all charges the Borrower incurs in connection with Borrower's loan (even though doing so may cause Borrower to exceed any approved credit limit, if applicable), and any interest or other charges earned by Us. You agree to pay the debt although You may not personally receive any goods, services, or money from the loan. We can demand that You pay, even though We do not try to collect from the Borrower or enforce any security interests the Borrower has given Us. Any payment by You, the Borrower, or any other person shall not reduce Your maximum principal obligations hereunder unless written notice to that effect is actually received by Us at or prior to the time of such payment.

**3. Continuing Guaranty.** This Guaranty is a Continuing Guaranty. Revocation is effective only by 30 days prior written notice personally received by an authorized employee of the Credit Union. Revocation shall be effective at the close of Our business day when the notice is actually received. Any revocation will be effective only as to the revoking party and will not affect that party's obligation with respect to any indebtedness existing before such revocation is effective. If You execute more than one guaranty of any indebtedness of the Borrower to the Credit Union, the limits of liability with respect to all the guaranties You have executed will be cumulative.

**4. Right of Set-Off; Grant of Security Interest.** In addition to all liens upon and rights of set-off against any monies, securities and other of Your property given to Us by law, You grant Us a security interest in and a right to set-off against all monies, securities and other of Your property now or hereafter in Our possession or on deposit with Us whether held in a general or special account or deposit or for safekeeping or otherwise (except IRA, Keogh and Trust accounts); and each such security interest and right of set-off may be exercised without notice to You. No action or inaction by Us with respect to anything in this Guaranty shall be deemed a waiver thereof and every right We have in this Guaranty shall continue in full force and effect until specifically released by Us in writing. We may foreclose on any property either by judicial foreclosure or by the exercise of the power of sale, or any mortgage/deed of trust securing any indebtedness even though such foreclosure may destroy or diminish Your rights against the Borrower. In the event of any such foreclosure, You will remain liable for any part of any indebtedness remaining unpaid after any such foreclosure whether or not such foreclosure was for fair market value.

**5. Subordination.** The indebtedness of the Borrower or any endorser, co-signer, other guarantor or other person liable on any indebtedness now or hereafter owed to You is hereby subordinated to the indebtedness subject to this Guaranty. Any such indebtedness owed to You shall, if We so request, be collected, enforced and received by You as trustee for Us and be paid over to Us on account of the guaranteed indebtedness, but without reducing or affecting in any manner Your liability described in this Guaranty. Should You fail to collect the proceeds of any such indebtedness and pay the proceeds to Us, We, as Your attorney-in-fact, may do such acts and sign such documents in Your name as We consider necessary to effect such collection.

**6. Joint and Several Obligations; Independent Obligations.** Each person who signs this Agreement is bound jointly and separately. In addition, Your obligations hereunder are independent of the Borrower's obligations or those of any other person liable on any indebtedness of the Borrower and a separate action or actions may be brought against You on any guaranteed indebtedness. We can also enforce this Agreement against Your heirs and/or legal representatives.

**7. Corporate or Partnership Authority.** Where any one or more of the Borrowers are corporations or partnerships, it is not necessary for Us to inquire into the powers of the Borrowers or the officers, directors, partners or agents acting or purporting to act on their behalf, and any credit made or created in reliance upon the professed exercise of such powers is guaranteed hereunder.

**8. Attorney's Fees and Collection Costs.** You agree to pay reasonable attorneys' fees and other collection costs and expenses incurred by Us to enforce this Guaranty.

**9. Separate Property.** Any married person who signs this Guaranty expressly agrees that recourse may be had against such person's separate property for all obligations hereunder. If You are not married and become so during the term of this Guaranty, You warrant that there will not be a transfer of any interest in Your real property to Your future spouse without Our consent.

**10. Governing Law.** This Guaranty is governed by and construed according to the laws of the State of California and You hereby submit to the jurisdiction of the courts of Yolo County, California.

Name of Guarantor	Signature of Guarantor	Date Signed
Name of Guarantor	Signature of Guarantor	Date Signed
Name of Guarantor	Signature of Guarantor	Date Signed
Name of Guarantor	Signature of Guarantor	Date Signed
Name of Guarantor	Signature of Guarantor	Date Signed