

# CARDHOLDER AGREEMENT

(MasterCard)

Oconee State Bank (Issuer)

Post Office Box 205

Watkinsville, GA 30677

## CREDIT DISCLOSURES

ANNUAL PERCENTAGE RATE FOR PURCHASES, CASH ADVANCES & BALANCE TRANSFERS	<b>14.70%</b>
ANNUAL MEMBERSHIP FEE	NONE
GRACE PERIOD FOR PURCHASES	25 DAYS*
METHOD OF COMPUTING THE BALANCE FOR PURCHASES	AVERAGE DAILY BALANCE INCLUDING NEW PURCHASES*
MINIMUM PAYMENT	2% OR \$40.00 WHICHEVER IS GREATER
LATE PAYMENT FEE	\$10.00
TRANSACTION FEE FOR CASH ADVANCE	5% MAXIMUM \$25.00
PENALTY RATE	NONE
BALANCE TRANSFER FEE	NONE

\*A Finance Charge will be imposed on Credit Purchases or Balance Transfers only if you elect not to pay the entire New Balance shown on your monthly statement for the previous billing cycle within 25 days from the closing date of that statement. If you elect not to pay the entire New Balance shown on your previous monthly statement within that 25-day period, a Finance Charge will be imposed on the unpaid average daily balance of such Credit Purchases or Balance Transfers from the previous statement closing date and on new Credit Purchases or Balance Transfers from the date of posting to your account during the current billing cycle, and will continue to accrue until the closing date of the billing cycle preceding the date on which the entire New Balance is paid in full or until the date of payment if more than 25 days from the closing date. The Finance Charge for a billing cycle is computed by applying the monthly Periodic Rate to the average daily balance of Credit Purchases or Balance Transfers, which is determined by dividing the sum of the daily balance during the billing cycle by the number of days in the cycle. Each daily balance of Credit Purchases or Balance Transfers is determined by adding to the outstanding unpaid balance of Credit Purchases or Balance Transfers at the beginning of the billing cycle any new Credit Purchases or Balance Transfers posted to your account, and subtracting any payments as received and credits as posted to your account, but excluding any unpaid Finance Charges.

A Finance Charge will be assessed on Cash Advances from the date of the Cash Advance, or the first day of the billing cycle in which the cash advance is posted, whichever is later, and will continue to accrue until payment in full is posted. The Finance Charge for Cash Advances will be calculated in the same manner as explained for Credit Purchases or Balance Transfers.

As of 2/22/2010, the information shown above was accurate. Because rates and terms are subject to change, you may contact us for the current information by writing to the business reply address shown above.

## **TERMS GOVERNING THE USE OF YOUR CARD**

The person ("Cardholder") whose name is embossed on the face of the MasterCard ("Card") and each Cardholder, in the event more than one Card is issued bearing the same account number, by signing or using said Card, receipt of which is acknowledged, agrees with the Issuer of the Card as follows:

A. Goods and services ("Credit Purchases") may be purchased or leased by means of such card by Cardholder from any retail business establishment ("Seller") who honors same upon the execution of a sales slip evidencing such Credit Purchase and bearing the account number of Cardholder embossed on the face of such Card. Additionally, MasterCard Cash Advances ("Loans") may be obtained through use of such Card (a) upon execution of a written request of Cardholder in a form furnished to cardholder from any financial institution that is a member, alone or in association with others, of MasterCard International, Inc. and (b) upon execution of a written separate agreement with Issuer for a MasterCard overdraft financing agreement, if offered by Issuer.

B. Cardholder shall be liable and agrees to pay Issuer for Credit Purchases made by, or for Loans extended to, Cardholder or anyone else using such Card unless the use of such Card is by a person other than the Cardholder (a) who does not have actual, implied or apparent authority for such use, and (b) from which Cardholder receives no benefit. Additionally, Cardholder shall be jointly and severally liable and agrees to pay for all Credit Purchases and Loans obtained through the use of any other Card bearing Cardholder's account number that has been issued to another person by reason of such person being a member of Cardholder's family, or otherwise issued upon Cardholder's request (all such Cards bearing the MasterCard account number hereinafter collectively called "Related Cards").

C. Cardholder agrees to pay to Issuer an annual membership fee (if stated in the Credit Disclosures) for participation in the Issuer's credit card plan. Such annual membership fee shall be imposed whether or not Cardholder uses the card to obtain Credit Purchases and Loans. The membership fee shall be charged to Cardholder's account each year in the month of Issuer's choice. The membership fee is not refundable in the event of termination of the account by either Cardholder or Issuer unless otherwise provided for by law.

D. Each Card is the property of Issuer, is not transferable and must be surrendered upon demand. It can be canceled as well as repossessed by Issuer or its designee, and the privileges thereof revoked, at any time without prior notice.

E. Cardholder shall not use the Card or permit the use of Related Cards to obtain Credit Purchases or Loans which will increase Cardholder's indebtedness to Issuer to an amount in excess of the limit established by Issuer.

F. All Credit Purchases and Loans are effected at the option of the Seller and Cash Advancing Financial Institution, respectively, and Issuer shall not be responsible for refusal by any Seller or Cash Advancing Financial Institution to honor the Card or any Related Card. Any refund, adjustment or

credit allowed by Seller shall not be by cash but rather by a credit advice to Issuer which shall be shown as a credit on Cardholder's account statement with Issuer.

G. If you effect a transaction with your MasterCard card in a currency other than U.S. dollars, MasterCard International Incorporated will convert the charge into an 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 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.

H. Issuer will send to Cardholder, at monthly intervals determined by Issuer, a statement reflecting for the prior monthly period all MasterCard Card and Related Card transactions. Such statement shall be deemed correct and accepted by Cardholder and all holders of Related Card unless Issuer is notified to the contrary in writing within 60 days of mailing of such statement Cardholder will pay such statement by remitting to Issuer within 25 days of the closing date reflected on the statement either the full amount billed or, at Cardholder's option, an installment equal to at least the required minimum payment stated in the Credit Disclosures.

I. Interest on Loans and Credit Purchases will be charged in accordance with the finance charge calculation method referred to in the Credit Disclosures. The rate of interest shall be established by Issuer from time to time, but shall never exceed the maximum rate permitted by law. The current interest rate per annum is the Annual Percentage Rate set forth in the Credit Disclosures.

J. If the card is canceled or surrender is demanded by Issuer, or if Cardholder defaults in any payment due, or is deceased, bankrupt or insolvent, or any attachment or garnishment proceedings are initiated against Cardholder or his property, Issuer may elect to declare all amounts then owed to Issuer to be immediately due and payable without notice or demand of any kind. If Cardholder has other loans from Issuer, or takes out other loans with Issuer in the future, collateral securing those loans will also secure the Cardholder's obligations under this agreement. However, unless the Cardholder expressly agrees otherwise, the Cardholder's household goods and dwelling will not secure Cardholder's obligations under this agreement even if Issuer has or later acquires a security interest in the household goods or a mortgage on the dwelling. Cardholder agrees to pay all costs incurred by Issuer in collecting Cardholder's indebtedness or in enforcing this agreement, including reasonable attorney's fees and also those costs, expenses and attorney's fees incurred in appellate, bankruptcy and post-judgment proceedings, except to the extent such costs, fees or expenses are prohibited by law.

K. This agreement may be amended from time to time by Issuer by written notice mailed to Cardholder at Cardholder's last known address.

L. Except to the extent that Federal law is applicable, the validity, construction and enforcement of this agreement and all matter's arising out of the issuance and use of the Card shall be governed by the laws of the state in which the principal office of Issuer is located.

M. Additional charges, plus applicable taxes, may also be assessed if you pay us with a check not honored by your financial institution, request a copy of a document, request a replacement card or use your card for a transaction at an automated teller machine, if such charges are not prohibited by law or regulation. No Finance Charge will be assessed on such additional charges.

N. Cardholder may be liable for the unauthorized use of the Card or Related Cards as provided in this paragraph. The Cardholder will not be liable for any unauthorized use that occurs after the Issuer is notified, orally or in writing at:

Credit Card Security Department  
P.O. Box 30035  
Tampa, Florida 33630

Telephone Number  
(727) 570-4881  
(800) 423-7503

If Cardholder has a consumer account or a business account for which less than 10 cards have been issued, Cardholder's liability for unauthorized use of a card will not exceed \$50.00. If 10 or more cards are issued to employees of a single business or other organization, there is no limit to Cardholder's liability for any unauthorized use that occurs before Cardholder notifies Issuer as provided herein; the business or organization may only impose liability on its employees for unauthorized use of a card as authorized by federal law and regulation.

O. Cardholder agrees that Issuer, its agents or service companies may monitor and/or record any telephone communications with Cardholder.

P. Payments must be made to Issuer in U.S. dollars drawn on an U.S. financial institution. Issuer may accept checks marked "Payment in Full" or with words of similar effect without losing any of Issuer's rights to collect the full balance of Cardholder's account.

Q. If Cardholder incurs charges in any other currency, the charges will be converted into U.S. Dollars. MasterCard's currency conversion procedure includes use of either a government mandated exchange rate, or a wholesale exchange rate selected by MasterCard, and the rate MasterCard uses for a particular transaction is a rate selected by MasterCard for the applicable currency on the day the transaction is processed, which may differ from the rate applicable on the date the transaction occurred or the date on which the transaction is posted to the cardholders account. Cardholder agrees to pay the converted amount to Issuer in U.S. dollars, plus a fee of 1% for conversion and processing imposed by Issuer and MasterCard.

R. Issuer can reinvestigate and reevaluate any information Cardholder provided on Cardholder's credit application at any time, and in the course of doing so, Issuer may ask Cardholder for additional information, request credit bureau reports and/or otherwise verify Cardholder's current credit standing.

S. Cardholder agrees that Issuer may release information to others, such as credit bureaus, regarding the status and history of Cardholder's account. However, Issuer is not obligated to release any such information to anyone unless Issuer is required by law to do so.

T. Cardholder agrees that Cardholder's account shall be subject to all applicable rules and regulations of MasterCard International, as applicable, as well as all applicable laws. If there is any conflict between the provisions of this Agreement and the rules and regulations of MasterCard International, the rules and regulations of MasterCard International shall control.

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### **YOUR BILLING RIGHTS:**

This notice tells you about your rights and 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 the address shown on your monthly billing statement.

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 after 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 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, 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 (or electronically) at the address shown on your monthly billing statement.

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.