

# CrediCard National Bank Credit Card Account and Security Agreement

**1. SCOPE OF AGREEMENT.** This Agreement establishes the terms and conditions of your Account with CrediCard National Bank, a national banking association with main offices in Tucson, Arizona ("CrediCard"). This Agreement applies to all Credit Cards and Credit Facilities issued to You by CrediCard in connection with its agreement with **Velocity Micro** ("Merchant"). Any Card or Credit Facility issued to You by Us remains Our property and must be returned to Us or to Merchant upon request. Retaining, signing or using, or permitting others to use, the Card or any Credit Facility shall evidence Your consent to this Agreement and all of its terms.

<b>ANNUAL PERCENTAGE RATE</b> (Periodic Rate)	The <b>ANNUAL PERCENTAGE RATE</b> is <b>18%</b> (1.50%).
Grace Period To Repay Balance	You have 25 days from Your billing date to repay Your balance before being charged a finance charge. Deferred billing options, when offered, carry an extended grace period.
Balance Calculation Method For Purchases	The Average Daily Balance method (including new transactions) is used.
Minimum <b>FINANCE CHARGE</b>	A minimum monthly <b>FINANCE CHARGE</b> of <b>\$0.50</b> applies.
Late Payment Fees	You may be charged and You agree to pay a late payment charge of 5% of the late required minimum monthly payment or \$15.00, whichever is less.

**2. DEFINITIONS.** In addition to other terms that may be defined in this Agreement, the following terms when used in this Agreement have the following definitions:

- a. "**Agreement**" means this CrediCard National Bank Credit Card Account and Security Agreement and any amendments thereto.
- b. "**Account**" means the open-end revolving credit account established pursuant to Your Application and this Agreement to which charges are posted based on use of a Card, information from a Card, Credit Facility, or any other device or procedure by which the Account may be accessed in the future.
- c. "**Application**" means the application for credit You completed and returned to the Merchant or Us to request that We extend credit to You under the Account.
- d. "**Card**" means the credit card(s) issued to You by CrediCard National Bank and any future credit card(s) issued to You in connection with the Account.
- e. "**Credit Facility**" means any facility or item such as a blank check, payee-designated check, "convenience" or "special" check, blank draft or other order, or any other means which may, at Our discretion and pursuant to procedures We may adopt from time to time, be issued by Us to You to access the Account.
- f. "**Credit Limit**" means the total dollar amount of the Account which We approved and which You may borrow against according to the terms of this Agreement.
- g. "**You**" and "**Your**" refer to each person who signed an application for the Account, each person who signs or uses the Card or a Credit Facility, and any Authorized User.
- h. "**Authorized User**" means any person You permit to use the Account or who has apparent authority to use the Account.
- i. "**We**", "**Us**", and "**Our**" means CrediCard National Bank.

**3. PURCHASES.** You request and authorize Us to extend credit to You under the Account to purchase goods and services ("Purchases") from Merchant. Any refund, adjustment, or credit allowed by Merchant or other person or entity shall not be by cash but rather by a credit to the Account appearing on Your monthly billing statement.

**4. PROMISE TO PAY.** You promise to pay Us in US dollars for all Purchases, including applicable Finance Charges and other charges or fees, incurred by You or anyone You authorize or permit to use Your Account or the Card even if You do not notify Us that others are using Your Account, Card, or any Credit Facility.

**5. PAYMENTS ON THE ACCOUNT.** Your payment under the Account must be made on or before the "Payment Due Date" reflected on Your monthly billing statement. Your payment must be either the full amount billed or, at Your option, an installment equal to at least the required "Minimum Payment Due" stated on the billing statement. Payments must be made in U.S. dollars drawn on a U.S. bank. All payments on the account must be made at the address shown on Your monthly billing statement and are considered to have been made on the date received at that address. If payment is made at any location other than the designated address, credit for such payment may be delayed. As allowed by law, We may accept payments marked "payment in full" (or words of similar intent) without losing any of Our rights to collect the full balance due under the Account and this Agreement.

**6. PAYMENT HOLIDAYS.** At Our option We may permit You from time to time to skip making the Minimum Payment Due for a specified billing cycle (referred to as a "Payment Holiday"). Even if You accept such a Payment Holiday, We will continue to assess Finance Charges on the unpaid balance of the Account, as disclosed herein. Any Payment Holiday We permit will not affect the terms of this Agreement. The terms of this Agreement remain in force regardless of whether You accept a Payment Holiday.

**7. CREDIT LIMIT.** You agree not to use or permit others to use the Card, information from the Card, or Credit Facility if such use would cause the balance of the Account to exceed the Credit Limit We set from time to time. We may, at Our option, extend credit under the Account which exceeds the Credit Limit. If We do so, You agree to immediately pay the excess. We are not obligated to allow any Purchase which will exceed Your Credit Limit and if We do, We are not obligated to do so at a later time. You agree We may change Your Credit Limit or cancel the Account if You exceed the Credit Limit.

**8. FINANCE CHARGE.** We figure the Finance Charge on Your Account by applying the

Periodic Rate to the "Average Daily Balance" of Your Account. To get the "Average Daily Balance", We take the beginning balance of Your Account each day, add any new Purchases or charges, and subtract any payments or credits. This gives Us the daily balance. Then, if Your previous month's Account Balance was not paid in full before the Payment Due Date, We add all the daily balances for the billing cycle together (credit balances are not included) and divide the total by the number of days in the billing cycle. This gives Us the "Average Daily Balance".

**9. MINIMUM PAYMENT DUE.** The Minimum Payment Due is 3.00% of Your Account Balance or \$25.00, whichever is greater, plus any past due amounts. Payment of more than the Minimum Payment Due but less than the Account Balance will not relieve You of the obligation to pay at least the Minimum Payment Due in any future billing cycle. *Your Minimum Payment Due will never exceed Your Account Balance.* If Your Account Balance does not exceed Your required Minimum Payment Due for the month by more than \$5, the Account Balance will be due.

**10. APPLICATION OF PAYMENTS.** All payments will be applied in the following order: (1st) Finance Charges (interest), (2nd) other charges or fees, and (3rd) to Purchases in the order made (not including deferred billing option transactions).

**11. RETURNED CHECK FEE.** If any check sent to Us in partial or full payment on Your Account is returned to Us unpaid by Your bank, We have the right to charge You a reasonable processing fee of \$25. This fee will be in addition to all other Finance Charges or other charges We may collect from You and is not subject to refund or rebate.

**12. LATE PAYMENT FEE.** If the minimum required payment is not received within 30 days after the Payment Due Date for a billing cycle, We may assess a late charge on the Account. The late charge will be 5% of the past-due amount or \$15, whichever is less.

**13. SECURITY INTEREST.** We retain a security interest under the Uniform Commercial Code in all merchandise charged to Your Account. If You do not make payments on Your Account as agreed, the security interest allows Us to repossess only the merchandise that has not been paid in full. You are responsible for any loss or damage to the merchandise until the price is fully paid. We give up any right to retain or acquire any lien which We might be automatically entitled to by law on Your principal dwelling. This does not apply to a lien created by a court judgment or acquired by a filing as provided by statute.

**14. DEFAULT-COLLECTION COSTS.** If You make a false statement on Your Application, neglect to pay at least the Minimum Payment Due by the Payment Due Date, or seek protection in bankruptcy, You will be in default of this Agreement and, subject to any right You might have under applicable law to receive notice of Your default and to cure such default, We may declare the entire unpaid balance on Your Account due and payable. If Your Account is referred for collection to an attorney who is not a salaried employee of Ours, You agree to pay Our reasonable attorney's fees, court costs and disbursements, or such lesser amount as may be permitted by applicable law.

**15. CHANGE OF TERMS.** This Agreement, and the terms of the Account, may be amended by Us if We send You written notice of the amendment prior to its effective date as required by law. As of the amendment's effective date, the change in terms will apply to the entire outstanding balance of the Account as well as Purchases made after the effective date of the amendment. If You do not agree to the amendment, You must notify Us in writing within 25 days after the effective date of the amendment at the address provided in the notice of amendment, in which case Your Account will be closed and You must pay Us the balance You owe Us under the existing terms of the unchanged Agreement. Otherwise, You will have agreed to the amendments in the notice. Use of the Card or any Credit Facility after the effective date of the amendment shall be deemed acceptance of the new terms, even if the 25 days have not expired.

**16. CANCELLATION.** WE MAY CANCEL THIS AGREEMENT AS IT RELATES TO FUTURE PURCHASES AT ANY TIME WITHOUT NOTICE OR LIABILITY. YOU AGREE TO RETURN TO US ALL CARDS ISSUED ON YOUR ACCOUNT UPON SUCH CANCELLATION.

**17. GOVERNING LAW.** You agree that Your obligations under this Agreement represented by charges to the Account are contracted for and become binding when the sales drafts, credit card slips, or other Credit Facilities are accepted by Us and We cause the holders of the same to be paid. You agree that these events occur, and that credit is extended to you in Arizona. You further agree that the laws of the state of Arizona, specifically (i) Arizona Revised Statutes Sections 44-1205(C), (D), and (E), as amended, to the extent the credit limit on Your Account does not exceed \$10,000, and (ii) Arizona Revised Statutes Section 44-1201, as amended, to the extent the credit limit on Your Account exceeds \$10,000, along with the laws of the United States applicable to national banking associations will govern the interpretation and operation of this Agreement and any controversy arising from it. If any provision of this Agreement conflicts with applicable law, You agree that such provision will be deemed amended to comply with applicable law. If that is not possible, then the conflicting provision will be deemed deleted from this Agreement. The remaining provisions of this Agreement will remain in full force and effect.

**18. NOTICES.** Notices given under this Agreement or relating to the Account will be effective only if given in writing to Us at 100 W. Olmos Drive, Suite 200, San Antonio, Texas 78212, to Merchant and to You at Your last address shown on Our records. You agree to notify Us immediately if Your address changes from that shown on the application You submitted in connection with opening the Account.

**19. CREDIT INVESTIGATION AND DISCLOSURE.** You agree that We may obtain consumer credit reports from one or more credit reporting agencies or others in connection with opening or maintaining the Account, increasing the Credit Limit under the Account, or making any extension of credit to You under the Account. We may also ask You for additional information in connection with the Account and request credit reports to verify Your current credit standing. You agree that We may release information to others, such as credit reporting agencies, regarding the status and history of the Account. However, We are not obligated to release any such information unless required by law.

**20. CREDIT AUTHORIZATIONS.** Some purchases will require Our prior authorization and You may be asked to provide identification. If Our authorization system is not working, We may not be able to authorize a transaction, even if You have sufficient available credit. We will not be liable to You if any of these events happen. We are not responsible for the refusal of anyone to accept or honor the Card or any Credit Facility.

**21. MONTHLY BILLING STATEMENT.** We will send You a billing statement after each monthly billing cycle in which You have a debit or credit balance in excess of \$1.00. Statements will reflect all Purchases, Finance Charges and Other Charges pursuant to this Agreement for the prior billing cycle. Such statements shall be deemed correct and accepted by You unless You notify Us to the contrary in writing within 60 days of Our mailing such statement to You.

**22. CREDIT BALANCES.** We will refund any credit balance within seven business days from receipt of Your written request. If You do not request a refund, We will automatically refund any part of this credit balance which remains on Your account after six billing cycles if the amount of the credit balance is in excess of \$1.00.

**23. UNAUTHORIZED USE LIABILITY.** If any Card or Credit Facility is lost or stolen or otherwise may be used without Your permission (express or implied), You must immediately notify Us orally or in writing at the following phone number or address: (210)829-7117 or 100 W. Olmos Drive, Suite 200, San Antonio, Texas 78212. If unauthorized use of a Card occurs before You notify Us of the loss, theft or unauthorized use, You may be liable up to a maximum amount of \$50. If unauthorized use of a Credit Facility occurs, You may be liable for all of the unauthorized use.

**24. BALANCE TRANSFERS.** If You were offered and accepted an opportunity to transfer a balance from another card, You authorize Us to forward payment on Your behalf on the other card account to the related account issuer's bank. You understand that Your CrediCard National Bank Account will be debited for the transfer amount, and will be assessed Finance Charges as stipulated herein, from the time a check is issued to pay Your current balance. You certify that Your previous credit account is in good standing and You agree to maintain its current status at least until We have forwarded payment on Your behalf. You agree to keep paying the current minimum payment on the other card account until confirmation appears on Your CrediCard National Bank Account statement. You understand that transfers may take 5 to 6 weeks. You authorize Us, or one of Our assigns, to verify the status and balance of such account, and understand that We may, at Our discretion, deny a transfer request. You agree that You continue to be liable to the other card issuer pursuant to the respective card agreement. You understand that We shall not be liable for any matters arising out of or related to such account or for incomplete or inaccurate information provided by You.

**25. ASSIGNMENT OF ACCOUNT.** We may at any time sell or assign all or any part of Your Account to another creditor without further notice to You. The person(s) to whom We make any such assignment shall be entitled to all of Our rights under this Agreement to the extent assigned. You may not sell, assign, or transfer Your Account without first obtaining Our prior written consent.

**26. "SAME AS CASH" - NO MONTHLY PAYMENT REQUIRED.** Under this option when offered, a purchase will not be billed until the last billing cycle of the Same as Cash period. If the entire purchase is not paid by the Due Date of that billing cycle, Finance Charges will be assessed from the date it was billed, not from the purchase date. If You elect this option when offered, We will not be required to give You advance notice before the Same as Cash purchase is billed.

**27. "SAME AS CASH" - WITH MONTHLY PAYMENT REQUIRED.** Under this option when offered, a purchase will require equal monthly installments over the Same as Cash period in amounts sufficient to pay the entire purchase by the end of the Same as Cash period. Each month, the payment required in order to avoid Finance Charges on Your purchase will be deducted from the Same as Cash balance and added to the Minimum Due owing on any Revolving Balance You may have accumulated. No Finance Charges occur if each month's installment is paid by its Due Date. If a full monthly installment is not paid by its Due Date, Finance Charges will be assessed on any unpaid portion of the installment from the date it was billed.

**28. CUSTOMER INFORMATION.** You hereby acknowledge and agree that the credit extended by Us to You from time to time is to facilitate Your Purchases from Merchant. You authorize Us to share with Merchant any and all information regarding Your Account and Your non-public information, including but not limited to payment history, credit information, balances, date of birth and telephone numbers.

**29. BILLING ERRORS.** SEE STATEMENT OF CREDIT BILLING RIGHTS FOR IMPORTANT INFORMATION REGARDING YOUR RIGHTS TO DISPUTE BILLING ERRORS.

## STATEMENT OF CREDIT BILLING RIGHTS Keep This Notice for Future Reference

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 BILL

If You think Your bill is wrong, or if You need more information about a transaction on Your bill, write Us (on a separate sheet) at the address listed on Your bill. Write to Us as soon as possible. We must hear from You no later than 60 days after We sent You the first bill on which the error or problem appeared. You can telephone Us, but doing so will not preserve Your rights.

In Your letter, give Us the following information:

- Your name and account number
- The dollar amount of the suspected error
- Describe the error and explain, if You can, why You believe there is an error. If You need more information, describe the item You are not sure about.

If We offer an automatic payment option which deducts automatically from Your checking or savings account and You have taken advantage of this option, You can stop 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 bill was correct. After We receive Your letter, We cannot try to collect any amount You question, or report You as delinquent. We can continue to bill You for the amount in 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 bill that are not in question.

If We find that We made a mistake on Your bill, You will not have to pay any finance charges related to any questioned amount. If We did not make a mistake, You may have to pay finance charges, and You will have to make up any missed payments on the questioned amount. In either case, We will send You a statement of the amount You owe and the date that it is due.

Thereafter, if You fail to pay the amount 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 bill. And, We must tell You the name of anyone We reported You to. We must tell anyone We report You to that the matter has been settled between Us when it finally is.

If We do not follow these rules, We cannot collect the first \$50 of the questioned amount even if Your bill was correct.

### SPECIAL RULE FOR CREDIT CARD PURCHASES

If You have a problem with the quality of property or services that You purchased with Your 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 \$50.00.

These limitations do not apply if We own or operate the Merchant, or if We mailed You the advertisement for the property or services.

## NOTICES TO RESIDENTS OF DESIGNATED STATES

**CALIFORNIA RESIDENTS ONLY.** A married applicant may apply for a separate account. After credit approval, each applicant shall have the right to use this account to the extent of any credit limit set by the creditor and each applicant may be liable for all amounts of credit extended under this account to any joint applicant.

**OHIO RESIDENTS ONLY.** The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers and that credit reporting agencies maintain separate credit histories of each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

**MAINE, NEW YORK AND VERMONT RESIDENTS ONLY.** You acknowledge that a consumer credit report may be obtained in connection with your application, or subsequently in connection with the update, renewal or extension of credit. Within 5 business days of our receipt of your request, you will be informed whether or not a consumer credit report was ordered, and if it was, you will be given the name and address of the consumer reporting agency that furnished the report. You may request and promptly receive from all such consumer reporting agencies copies of such consumer credit reports. New York residents may contact the New York State Banking Department (1-800-518-8866) for a comparative list of credit card rates, fees and grace periods.

**MARRIED WISCONSIN RESIDENTS ONLY.** For married Wisconsin residents, your signature confirms that this credit obligation is being incurred in the interest of your marriage or family. No provision of a marital property agreement (pre-marital agreement), unilateral statement under Section 766.59 of the Wisconsin Statutes or a court decree under Section 766.70 adversely affects the interest of the creditor unless the creditor, prior to the time the credit is granted, is furnished a copy of the marital property agreement, statement, or decree or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. If your spouse is not a co-applicant, you will provide your spouse's name and address by mailing it to us at CrediCard National Bank; 100 West Olmos Drive, Suite 200; San Antonio, TX 78212. If the credit for which you are applying is granted, your spouse will also receive notification the credit has been extended to you at the address you furnish to us.