



**BANK OF STOCKTON**  
*Divisions*  
 MODESTO COMMERCE BANK  
 TURLOCK COMMERCE BANK  
 ELK GROVE COMMERCE BANK

## CREDIT CARD AGREEMENT AND DISCLOSURE

| Interest Rates and Interest Charges                                |                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual Percentage Rate (APR) for Purchases                         | 16.00%                                                                                                                                                                                                                                             |
| APR for Cash Advances                                              | 16.00%                                                                                                                                                                                                                                             |
| How to Avoid Paying Interest on Purchases                          | Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month                                                                |
| Minimum Interest Charge                                            | If you are charged interest, the charge will be no less than \$1.00                                                                                                                                                                                |
| For Credit Card Tips from The Consumer Financial Protection Bureau | To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a> |

| Fees                               |                                                                           |
|------------------------------------|---------------------------------------------------------------------------|
| <b>Set-up and Maintenance Fees</b> |                                                                           |
| • Annual Fee                       | \$0 FOR MASTERCARD® and VISA®      \$0 for GOLD MASTERCARD®               |
| • Account Set-up Fee               | \$0                                                                       |
| • Participation Fee                | \$0                                                                       |
| • Additional Card Fee              | \$0                                                                       |
| <b>Transaction Fees</b>            |                                                                           |
| • Balance Transfer                 | Non-Applicable                                                            |
| • Cash Advance                     | Either \$8 or 3% of the amount of each cash advance, whichever is greater |
| • Foreign Transaction              | 1% of each transaction in U. S. dollars.                                  |
| <b>Penalty Fees</b>                |                                                                           |
| • Late Payment                     | \$7                                                                       |
| • Over-the-Credit Limit            | \$0                                                                       |
| • Returned Payment                 | \$0                                                                       |

**How We Will Calculate Your Balance:** We use a method called “average daily balance” (including new purchases). See Bank of Stockton’s Credit Card Agreement and Disclosure for more details.

**Billing Rights:** See “Billing Rights Summary” section of Bank of Stockton’s Credit Card Agreement and Disclosure for important information regarding your rights to dispute transactions and billing errors, and how to exercise those rights.

## **CREDIT CARD AGREEMENT AND DISCLOSURE**

### **Fixed Rate Accounts**

*(Terms effective November 30, 2012)*

This Credit Card Agreement and Disclosure ("Agreement") applies to your Visa or MasterCard or Gold MasterCard credit card ("Card") account ("Account") with Bank of Stockton and its divisions Modesto Commerce Bank, Turlock Commerce Bank and Elk Grove Commerce Bank ("Bank"). You agree to all of these terms and conditions by submitting your application for the Card. The provisions of this Agreement and disclosure supersede any prior agreement or disclosure applicable to your Account. In this Agreement, "you," "your" and "consumer" mean each person who signs the Application (the "Application") or otherwise agrees to its terms in writing. "Bank," "we," "our" and "us" mean the Bank or anyone to whom the Bank transfers its rights under this Agreement.

**Accepting this Agreement:** We strongly recommend that you read this Agreement carefully and thoroughly before using your Card. You understand that by using your Card, you are agreeing to all the terms and conditions set forth below, plus any amendments that may be provided during the life of your Account. If you do not agree to these terms and conditions, DO NOT USE the Card and notify us immediately that you wish to cancel your credit card account with the Bank. For your safety, if you have received a card or checks to access the card account, destroy them when you notify us.

**Purchases and Advances:** You can use your Card to buy goods and services from any merchant who honors the Card. You can also use your Card to get a cash advance from the Bank or any other financial institution authorized by the Visa or MasterCard system to make cash advances.

You also may obtain cash advances from any automated teller machines bearing the Visa or MasterCard mark by using your Card and the personal identification number ("PIN") issued to you. If you do not have a PIN and want one, it will be issued upon your request.

**Illegal Transactions/Internet Gambling:** You agree not to use your Card or Account for any purchase that is illegal under applicable federal, state or local law where the transaction occurs or for any gambling activity conducted over the Internet, whether or not such activity is lawful in the place where the transaction occurs. Internet gambling may be illegal in some jurisdictions. Consumers should ascertain whether Internet gambling or other transactions are legal/illegal under applicable law. Regardless of whether the transaction is deemed legal or illegal, you agree to repay, according to the terms of this Agreement, transactions you initiate by use of your Card.

The Bank may refuse to authorize any transaction which it reasonably believes may violate this section of this Agreement, whether or not the activity is, in fact, prohibited in this section of the Agreement.

**Credit Limit:** Your Credit Limit will be established by the Bank and will be disclosed to you when your Card is issued and on your billing statement. You can apply for a change in your Credit Limit at any time. The Bank may extend credit to you from your Account if you are already up to your Credit Limit or if the borrowing would take you over your Credit Limit, but the Bank is not under any obligation to do so.

**Your Promise to Pay:** You agree to repay the Bank for all credit extended to you from your Account, together with finance charges and all other charges described in this Agreement, at the times and in the amounts indicated below and whether or not the credit extended to you is within your Credit Limit.

**Statements:** Each month a statement will be prepared, showing your New Balance, which is your outstanding balance as of the end of the billing cycle, the Minimum Payment due, the Payment Due Date and other information. The Payment Due Date will be 25 days after the Closing Date of each billing cycle. A monthly statement will not be sent by U.S. mail when one payment offsets the previous balance paying the previous balance in full, when the payment is the only transaction posted and the statement balance is zero on the statement cycle closing date.

**Repayment:** You can pay off your New Balance in full each month or you can pay in monthly installments. The Minimum Payment for each billing cycle will depend upon the New Balance shown on the billing statement. You may not make any payment directly or indirectly by an advance on your Account.

The Minimum Payment will be equal to the greater of 3% of the New Balance or \$15, except for balances under \$15 which are payable in full.

Unless the Bank takes other action as a result of your default, the Minimum Payment will also include any amount which is past due and any amount by which your New Balance exceeds your Credit Limit. Payments and credits will be applied first to pay billed unpaid finance charges, annual fees and late charges and next to pay cash advances, purchases and other charges. If your balance has different interest rates, then all payments in excess of the minimum monthly payments will be applied as follows; first to the balance with the highest interest rate, and then to each successive balance with the next highest interest rate, until the payment is exhausted.

**Prepayments:** Prepayments made during any monthly billing cycle will not affect your obligation to pay the minimum payment on the next payment due date.

**Finance Charges:** There are two types of finance charges for your Account—periodic charges and cash advance fees.

**Periodic Finance Charges:** If full payment of the New Balance shown on the statement for your previous billing cycle is received by the payment due date for that payment, no periodic charges will be imposed against your Purchases Average Daily Balance and the Advances Average Daily Balance will be calculated as if your payment reached the Bank on the first day of the billing cycle. Thus, when you pay your New Balance in full, the periodic charges for the next billing cycle will be based only on new advances you obtain during that billing cycle – you thereby avoid having to pay additional finance charges on the New Balance you have fully repaid.

If a periodic **FINANCE CHARGE** is imposed, it will be equal to the greater of (a) \$1.00 or (b) the amount that is determined by applying the monthly periodic rate applicable during the billing cycle to your "Purchases Average Daily Balance" and to your "Advances Average Daily Balance" for the billing cycle.

To get the "Purchases Average Daily Balance" (which includes current transactions), the Bank will take the beginning balance of the purchases portion of your Account balance each day, add any new purchases and other charges and subtract any payments and credits and any unpaid finance charges and late charges. This will give the daily balance. Then the Bank will add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This will give the "Purchases Average Daily Balance."

To get the "Advances Average Daily Balance" (which includes current transactions), the Bank will take the beginning balance of the advances portion of your Account balance each day, add any new advances and other charges and subtract any payments and credits and any unpaid finance charges and late charges. This will give the daily balance. Then the Bank will add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This will give the "Advances Average Daily Balance."

The monthly periodic rate applicable to your Account will be 1.3333%, which corresponds to an **ANNUAL PERCENTAGE RATE** of **16.00%**.

**Cash Advance Fee:** A Cash Advance Fee equal to 3% of the transaction amount or \$8, whichever is greater, will be added to your Account for each cash advance posted to your Account during the billing cycle (whether obtained over-the-counter at the Bank or another financial institution or at an automated teller machine).

#### **ANNUAL FEE**

**Standard MasterCard:** No Annual Fee

**Visa Classic Program:** No Annual Fee

**Gold MasterCard Program:** No Annual Fee

**Late Charge:** If the Bank does not receive at least your Minimum Payment on or before the date it is due, a Late Charge of \$7 will be imposed.

**Emergency Card Replacement Fee:** U. S. locations \$65.00, other locations \$95.00.

**Emergency Cash Advance Service Fee:** U. S. locations \$65.00, other locations \$95.00.

**Return Check Fee:** None

**Card Replacement Fee:** There will be a reissue charge of \$5 for each card the Bank replaces due to loss, theft or mutilation.

**Research and Photocopy Charge:** The Bank charges a photocopy charge of \$3.50 for a sales slip and \$5.00 for a photocopy of a credit slip and \$50.00 per hour (\$100.00 minimum) for research to locate a copy of the original sales or credit slip you request and for statement research unless your request relates to an actual billing or claimed billing error.

**Collection Expenses:** You agree to pay all of the Bank's collection costs, including reasonable legal expenses (including allocable costs of in-house counsel), court costs and the Bank's attorney's fees (either hourly or contingency fees, which shall be deemed reasonable), whether or not a lawsuit is filed, including costs and fees in bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and post-judgment collection services. The Bank may bill these collection costs to your Account.

**Foreign Transactions:** If a cardholder effects a transaction (which includes any sale, credit, credit voucher, cash advance original transactions or any reversal transaction relating to those transactions) with a Visa or MasterCard card in a foreign country or in a currency other than U.S. dollars, Visa and MasterCard will convert the transaction into a U.S. dollar amount by using its currency conversion procedure. The transaction will, *in addition*, incur an international service assessment and/or MCCR fee.

Under the currency conversion procedure that Visa and MasterCard currently uses, the non U. S. dollar transaction amount is converted into a U. S. dollar amount by multiplying the transaction amount in non U. S. dollar currency by a currency conversion rate. The exchange rate between the transaction currency and the billing currency used for processing international transactions is: 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 the government-mandated rate in effect for the applicable central processing date. This amount will then be increased by an international service assessment and/or MCCR fee, which is an additional fee that will be passed to you. This fee will be 1% of the transaction amount. The fee will be combined with the transaction that the fee relates to and will be shown as a single item on your statement. The currency conversion rate that Visa and MasterCard use for a particular transaction is the rate Visa and MasterCard uses for the applicable currency when the transaction is processed. The rate may differ from the rate in effect when the transaction occurred or when it was posted to the cardholder's account.

**Account Review:** From time to time the Bank will review your Account and update the information it has concerning your financial condition. You agree to furnish the Bank with whatever information regarding your financial affairs the Bank may then request. The Bank may, at any time, seek information about your financial condition from others and may provide information about your Account to others as permitted by law. The Bank will also periodically obtain and review your credit report in order to determine your continued eligibility for credit or to determine which other Bank products and services may be beneficial to you. The Bank may reduce your credit limit or refuse to extend new credit as the result of its periodic review of your creditworthiness. Information in your credit report will be used to determine if you qualify for a credit card and if so, your qualifying APR and margin. Factors considered by the Bank in reviewing your creditworthiness may include frequency of late payments, liens, number of new accounts or extent of credit usage, among other things.

**Insurance:** Credit life and credit disability insurance are not required to obtain credit and will not be provided unless you agree separately to purchase such insurance. You may obtain any required insurance from an insurer of your choice.

**Change of Name, Address or Employment:** You agree to immediately notify the Bank in writing if your name, home address or employment changes.

**Agreement to be Contacted:** You agree that the Bank may contact you at the telephone number you have provided either during the application process or during the term of this Agreement. This contact agreement extends to any cellular (mobile) phone number you may also provide. You understand that the Bank will use this contact information if you have defaulted under this Agreement to discuss your account or exchange information concerning your default. You also understand that the Bank may employ the use of an automated dialer or prerecorded message.

**Security Interest:** Your obligations under this Agreement are not secured by any contract, deed of trust or security agreement even if the terms of another contract, deed of trust or security agreement otherwise provide.

**Others Using Your Account – Lost or Stolen Cards:** For your protection, we highly recommend that you continually monitor your monthly statements to identify any unauthorized transactions. If your Card is lost or stolen, or you believe that an unauthorized person has accessed or may access your Card, or if you notice fraudulent activity on your Card, notify us immediately. If your Card is used fraudulently, you agree to assist us in our investigation and you agree to sign an affidavit of fraud and forgery.

You agree to pay for all purchases and advances made by anyone to whom you give your Card or you otherwise authorize to use your Account, whether or not you notify the Bank that such person will be using it. *To cancel your authorization to someone else to use your Card or Account you must give written notice to the Bank at the address shown on your billing statement and you must recover the Card from the person to whom you have given it.*

If your Card is lost or stolen, notify the Bank at once. To notify the Bank of a loss or theft, call (800) 556-5678 toll free in the U.S.A. or if traveling abroad call collect (402) 399-3600. You may write to the Bank at P.O. Box 1110, Stockton, CA 95201.

Cardholder liability for unauthorized use of a Visa or MasterCard card is zero dollars if the following conditions are met: (1) you report the loss or theft within 24 hours of discovering it lost or stolen; (2) your account is in good standing at that time; (3) no more than two incidents of unauthorized use involving your account have been reported within the last 12 months; and (4) you used reasonable care in safeguarding the Card from loss or theft. If those conditions have not been met, the lesser of \$50 or the amount of money, property, labor or services obtained by the unauthorized use before notification to us. We may also increase your liability if we reasonably determine based upon substantial evidence that you were grossly negligent or fraudulent in the handling of your account or Card. Notification to us is given when steps have been taken as may be reasonable in the ordinary course of business to provide us with the pertinent information about the loss, theft or possible unauthorized use of an account or Card. Unauthorized use shall be deemed to mean transactions posted to the account or use of the Card by a person other than you who does not have actual, implied or apparent authority for such use, and for which you receive no benefit.

**Change of Terms:** The Bank can change the terms of this Agreement at any time, including, but not limited to, changes to the amount of your payments, fees, charges and/or interest rate assessed pursuant to this Agreement, provided we send you notice to the most recent address shown for you on the Bank's credit card records at least forty-five (45) days prior to the effective date of the change. If the change will increase the Finance Charges or Fees, notice shall be sent at least forty-five (45) days prior to the effective date as of the first day of your billing period during which the effective date occurs unless you give us written notice that you do not agree to the change within forty-five (45) days of the date of the mailing. If you give us such written notice, you will be permitted to pay the outstanding unpaid indebtedness on your account as of the effective date under the terms of the Agreement governing your account at the time the notice was given. If you use your Card after the effective date, you will be considered to have agreed to the new terms even if you have sent us such written notice. If you keep or use the Card after our notice we will consider that you have accepted the changes.

**Cancellation:** Except where prior written notice is required by law, the Bank can cancel your Account at any time by phoning or by writing you at the most recent address shown for you on the Bank's records. You can cancel your Account by writing the Bank at its address shown on your billing statement. Of course, if your Account is canceled, you agree to pay everything you owe the Bank, including any amounts that have not been billed to you yet. Any Card the Bank has issued to you remains the property of the Bank and you agree to return it upon the Bank's request.

**Waiver:** The Bank may delay or waive enforcement of any of the provisions of this Agreement, including your agreement to make timely payments, without losing its right to enforce the same provision later or any other provisions of this Agreement. You waive the right to receive notice of any waiver or delay or presentment, demand, protest or dishonor. You also waive any applicable statute of limitations to the full extent permitted by law and any right you may otherwise have to require the Bank to proceed against any person or against the Property before suing you to collect. You understand that the Bank will not be liable for a merchant's refusal to honor your Card.

**Default/Entire Balance Due:** If you break any of your promises under this Agreement or any other agreement you have with the Bank, immediately and without prior notice the Bank can refuse to authorize or honor any cash advance or purchase until your default is cured and/or the Bank can close your Account, cancel all Cards issued on it and require immediate payment of your entire outstanding balance. You also agree to pay the Bank for those reasonable costs the Bank incurs to collect your Account, including attorney's fees. Except as limited by applicable law, the Bank can also take such steps if you become insolvent or if you die. If for any reason the Bank does not make use of any of its rights under this Agreement on a particular occasion that will not limit its rights in the future in any way.

**Choice of Law:** You agree that this Agreement will be governed by California law.

**Joint and Several Liability:** If more than one person has agreed to the terms of this Agreement, "you" and "your" will apply to each of you and to both of you. All Cards and billing statements may be mailed or delivered to the address given on the application for either applicant unless you later direct otherwise. This means that each of you have the right to use the Account to obtain loans from it, so long as the Account credit limit is not exceeded, and each of you will be liable for all amounts owing on the Account whether borrowed by you or the other customer(s) who has (have) agreed to these terms and whether within or beyond the credit limit. Your liability will be joint and several.

*The Following Applies to Accounts Maintained  
Primarily for Consumer, Family or Household Purposes*

**BILLING RIGHTS SUMMARY**

**KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about your rights and 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 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 the Bank at (209) 929-1271, but doing so will not preserve your rights.

In your letter, give us the following information:

1. Your name and account number.
2. The dollar amount of the suspected error.
3. Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

If you have authorized us to pay your credit card bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

**Your Rights and Our Responsibilities After We Receive Your 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 in question, or report you as delinquent. We can continue to bill you for the amount you question, including interest 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 interest charges related to any questioned amount. If we didn't make a mistake, you may have to pay interest charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your 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 don't follow these rules, we cannot collect the first \$50.00 of the questioned amount, even if your bill was correct.

**Special Rules for Credit Card Purchases:** If you have a problem with the quality of property or services that you 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 property or services. There are two limitations on this right:

1. 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
2. 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.