

Disclosures Required by Federal Law

Effective February 10, 2010

## Interest Rates and Interest Charges

Annual Percentage Rate (APR) for Purchases	<b>14.88%</b>
APR for Balance Transfers	<b>14.88%</b>
APR for Cash Advances	<b>14.88%</b>
Penalty APR and When it Applies	The Union Bank does not use a penalty APR.
Paying Interest	Your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on cash advances and balance transfers on the transaction date.
For Credit Card Tips from the Federal Reserve Board	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/creditcard">ttp://www.federalreserve.gov/creditcard</a> .

## Fees

Annual Fee	<b>\$18</b>
Transaction Fees <ul style="list-style-type: none"> <li>Balance Transfer</li> <li>Cash Advance</li> <li>Foreign Transaction</li> </ul>	<p>No fee</p> <p>Either <b>\$3</b> or <b>3%</b> of the amount of each cash advance, whichever is greater (maximum fee: \$50).</p> <p><b>1.00%</b> of each transaction in U.S. dollars or <b>0.80%</b> of each transaction in U.S. dollars where a currency conversion is not performed.</p>
Penalty Fees <ul style="list-style-type: none"> <li>Late Payment</li> <li>Over-the-Credit Limit</li> <li>Returned Payment</li> </ul>	<p><b>\$29</b></p> <p><b>The Union Bank does not apply an over-the-credit-limit fee</b></p> <p><b>\$29</b></p>
Other Fees <ul style="list-style-type: none"> <li>Lost Card Replacement Fee</li> </ul>	<b>\$15</b>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (excluding new purchases)." See your account agreement for more details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

## Further Information

### 1. FINANCE CHARGES

#### a. *The Periodic Finance Charge on Credit Purchases is calculated as follows:*

Method E: A Finance Charge will be imposed on Credit Purchases only if you elect not to pay the entire New Balance shown on your monthly statement for the billing cycle during which such transactions are posted to your account within 25 days from the closing date of that statement. If you elect not to pay the entire New Balance shown on your monthly statement within that 25-day period, a Finance Charge will be imposed on the unpaid average daily balance of such Credit Purchases from the statement closing date (but not on Credit Purchases posted during the current billing period) 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, which is determined by dividing the sum of the daily balances during the billing cycle by the number of days in the cycle. Each daily balance of Credit Purchases is determined by subtracting from the outstanding unpaid balance of Credit Purchases at the beginning of the billing cycle any payments as received and credits as posted to your account, but excluding any unpaid Finance Charges.

#### b. *The Periodic Finance charge on Cash Advances is calculated as follows:*

Method F: A Finance Charge will be imposed on Cash Advances from the date made or from the first day of the billing cycle in which the Cash Advance is posted to your account, whichever is later, and will continue to accrue on the unpaid average daily balance of such Cash Advances until the date of payment if paid during the same billing cycle, or 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. If the New Balance shown on your monthly statement for the prior billing cycle is paid in full within 25 days from the closing date of that statement, no Finance Charges will be imposed during the current billing cycle for Cash Advances posted to your account during previous billing cycles. The Finance Charge for a billing cycle is computed by applying the monthly Periodic Rate to the average daily balance of Cash Advances, which is determined by dividing the sum of the daily balances by the number of days in the billing cycle. Each daily balance of Cash Advances is determined by adding to the outstanding unpaid balance of Cash Advances at the beginning of the billing cycle any new Cash Advances posted to your account, and subtracting any payments as received or credits as posted to your account, but excluding any unpaid Finance Charges.

#### c. **Periodic Rates used to compute FINANCE CHARGES**

**Cash Advances: 1.24% Per Month      Credit Purchases: 1.24% Per Month**

**Corresponding ANNUAL PERCENTAGE RATES:**

**Cash Advances: 14.88% Per Year      Credit Purchases: 14.88% Per Year**

d. For Cash Advances obtained Over the Counter or at an Automated Teller Machine (ATM), a FINANCE CHARGE equal to the greater of **\$3 or 3%** of the cash advance will be imposed; however, this charge will not exceed **\$50**. A transaction fee may also be imposed by an ATM operator, not holding your account, or by any national, regional or local ATM network used to complete a Cash Advance transaction.

2. **OVER LIMIT CHARGES:** The cardholder shall immediately pay the amount by which the total New Balance exceeds the maximum authorized credit.

3. **ANNUAL FEE:** A non-refundable Annual Fee of **\$18** plus applicable taxes shall be charged.

#### 4. **MINIMUM PAYMENT:**

a. The minimum payment required is the New Balance shown on your statement if the amount is less than or equal to **\$10**.

b. If the new balance exceeds \$25.00, the minimum payment is **5%** of that portion of the New Balance that does not exceed your credit limit (rounded up to the nearest dollar), or **\$10**, whichever is greater, plus the entire portion of the New Balance in excess of your credit limit, plus any amount past due.

5. **LATE CHARGES:** If the minimum required payment is not received within 6 days after the Closing Date subsequent to the payment Due Date, a late fee amount of **\$29** is imposed.

6. **RETURNED PAYMENTS:** If a payment is returned, a returned payment fee amount of **\$29** is imposed.

7. **LOST CARD REPLACEMENT FEE:** A fee of **\$15** is imposed for lost card replacements.

8. The only FINANCE CHARGES assessed on your account other than those assessed by a periodic rate, will be transaction FINANCE CHARGES in connection with Cash Advances. Transaction FINANCE CHARGES for each Cash Advance will be imposed on the date the Cash Advance was posted to your account. No grace period applies on any transaction FINANCE CHARGE imposed for Cash Advances.
9. A **1.00%** INTERNATIONAL TRANSACTION CURRENCY CONVERSION FEE is imposed by Visa as is a **0.80%** FEE FOR FOREIGN TRANSACTIONS where a currency conversion is not performed.
10. Documentary stamp taxes as may be required by law shall be imposed on each Cash Advance at the time the loan is made.
11. The annual fee shall be treated as a Credit Purchase for purposes of calculating FINANCE CHARGES, unless prohibited by law.
12. If you have other loans or credit extensions with the Union Bank, or take out other loans or credit extensions with Union Bank in the future, collateral securing those loans will also secure your obligations under this agreement. However, unless you expressly agree otherwise, your household goods or dwelling will not secure your obligation under this agreement even if the Union Bank has, or later acquired a security interest in the household goods or a mortgage on the dwelling. If you have executed a written agreement granting a security interest in any deposit accounts (checking, savings or share account) or other funds held by Union Bank to secure your obligations under this credit card plan, such accounts and/or funds are additional security for your obligations to Union Bank arising from the use of your Card.

## Cardholder Agreement

This Agreement covers your credit card account with us, Union Bank (“Issuer” or “us”). The person (“Account Holder” or “You”) whose name is embossed on the face of the Visa credit card (“Card”) provided to Account Holder and issued by us and each Account Holder, by signing or using the Card, agrees with Issuer to the following terms:

1. **YOUR ACCOUNT.** If you have a joint account, each Account Holder has the right to use the account up to the extended credit limit as described below. Each Account Holder is bound by these terms and each, individually, will be liable for all charges, even if only one of you uses the account. For joint accounts, each individual separately, and both individuals together, are referred to in this Agreement as “You”.
2. **CREDIT CARD ACCOUNT SERVICES.** These services are available through your Card account, up to the amount of your credit limit.
3. **CREDIT PURCHASES.** You can use your account to purchase goods and services wherever Visa credit cards are accepted (referred to in this Agreement as “Credit Purchases”). Daily purchases are limited to no more than 10 and no more than \$3,500.
4. **CASH ADVANCES.** You can get up to a \$1,000 Cash Advance per day (referred to in this Agreement as a “Cash Advance”) from your account by presenting your Card at a financial institution that accepts Visa. You can also use your Card to obtain up to \$510.00 per day in cash from any authorized Automated Teller Machine (“ATM”). You may not obtain a Cash Advance if your account is delinquent, closed or the amount of the advance would cause your balance to go over your credit limit.
5. **YOUR PROMISE TO PAY.** You promise to pay us, when due, the total of all Credit Purchases and Cash Advances you make on your account. You also promise to pay the total of any Finance Charge and other charges due on the account. You also promise to pay all costs and expenses, including reasonable attorneys' fees that we incur in enforcing this Agreement. You may pay your entire balance at any time.
6. If you make a purchase or cash advance in foreign currency, the transaction will be converted into U.S. Dollars by Visa. The exchange rate for transactions in a foreign currency will be 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, plus any adjustment determined by your financial institution. All transactions in foreign countries will be subject to a conversion or processing fee.
7. **YOUR CREDIT LIMIT:** Your credit limit is shown on each of your billing statements. You agree not to use your account in any way that will cause your balance to go over your limit. If you do, we may at our option, close your account, and/or exercise any of our other remedies under this Agreement or at law. You must pay the full amount of your balance that is over the credit limit. The fact that we do not ask you for that amount as part of the Minimum

Periodic Payment shown on your billing statement does not relieve you of your obligation to pay it immediately. We will not authorize any new Credit Purchases or Cash Advances if your records show that doing so will cause your balance to go over your limit. If we do authorize any such Credit Purchase or Cash Advance, such authorization will not result in any waiver of our rights under this section. If we increase your credit limit, we will notify you.

8. **LAW GOVERNING THIS AGREEMENT.** Except to the extent that Federal law is applicable, the validity, construction and enforcement of this agreement and all matters arising out of the issuance and use of the Card shall be governed by the laws of the state of Vermont. This choice of law is made because the principal office of the Union Bank is located in Vermont, and to insure uniform procedures and interpretation for all of our customers, no matter where they reside or use their accounts. If any term or provision of this Agreement is found to be unenforceable, this will not make any other terms or provision unenforceable.
9. **LIMITATION ON LAWSUITS.** You agree that any lawsuit based on any cause of action which you may have against us must be filed within one year from the date that it arises or you will be barred from filing lawsuit. This limitation is intended to include tort, contract, and all other causes of action for which you and we may lawfully contract to set limitations for bringing suit.
10. **HONORING YOUR CARD.** We will not have any responsibility to you if anyone refuses to honor a Card issued on your account. Any refund, adjustment or credit allowed by a Seller shall not be by cash but rather by a credit advice to us, which shall be shown as a credit on your account statement.
11. **STATEMENTS.** Issuer will send to Cardholder, at monthly intervals determined by Issuer, a statement reflecting for the prior monthly period all VISA Card and Related Card transactions. Such statement shall be deemed correct and accepted by Cardholder and all holders of Related Cards 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 Paragraph 4 of the Disclosures provided in this document.
12. **PAYMENT PERIOD.** You will receive monthly billing statements from us. The New Balance shown on your statement is the total of unpaid obligations that have been posted to your account as of the statement date. You can either pay the entire New Balance or you can pay in installments, but we must receive at least the Minimum Periodic Payment shown on your billing statement by the payment due date.
13. **PAYMENT APPLICATIONS.** Subject to applicable law, your payments may be applied to what you owe Issuer in any manner the Issuer chooses in its sole discretion. 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.
14. **PAYMENTS.** Payments must be made to Issuer in U.S. dollars drawn on a U.S. Financial Institution.
15. **IMMEDIATE REPAYMENT OF YOUR FULL BALANCE.** You will be in default, and we may, without notifying you, temporarily suspend your credit, close your account, cancel all credit cards issued on it and require immediate payment of your entire balance if any of the following occurs:
  - a. You fail to make a payment when it is due;
  - b. You do not follow the terms of this Agreement in any way;
  - c. You have made any false or misleading statement on the application for your account;
  - d. You fail to pay any other loans you owe us;
  - e. You become insolvent or die;
  - f. There is an attachment, execution or levy against your property or you make an assignment for the benefit of creditors;
  - g. A bankruptcy petition is filed by or against you or your spouse;
  - h. A guardian, conservator, receiver, custodian or trustee is appointed for you;
  - i. You are generally not paying your debts as they become due; or
  - j. There has been a material adverse change in your financial standing.
16. **REEVALUATION OF CREDIT.** We can reinvestigate and reevaluate any information you provided on your credit application at any time, and in the course of doing so, we may ask you for additional information, request credit bureau reports and/or otherwise verify your current credit standing.
17. **PERIODIC FINANCE CHARGE.** Your account will be subject to the Monthly Periodic FINANCE CHARGE Rate and corresponding Annual Percentage Rate applicable to the Union Bank accounts set forth in the Initial Disclosure provided to you.
18. **TRANSACTION FINANCE CHARGE.** The Transaction Finance Charge is a one-time charge made each time a new Cash Advance is posted to your account.

19. **IF YOU CHANGE YOUR NAME OR ADDRESS.** You agree to notify us in writing within twenty days if you change your name, your home or mailing address, or home or business telephone number.
20. **OUR RIGHT TO CANCEL YOUR ACCOUNT.** We can cancel your account at any time, or reduce the amount of your credit line, without notice to you, except in those situations where notice is required by law. If we cancel your account, you agree to destroy all Cards issued on your account by cutting them in half and returning them to us. You will continue to be responsible for full payment of the balance on your account and all charges to your account, including those not yet received by us, as well as subsequent Finance Charge and other charges. Each Card is our property, and you agree that the Cards are not transferable and to surrender any Card upon demand.
21. **CHANGE IN TERMS OF YOUR ACCOUNT.** We can change any terms of your account at any time. We will provide you with such notice as is required by law by mailing a notice to you at the latest address shown in our records. Subject to applicable law, any change will apply to the current balance of your account, as well as to future balances.
22. **IF YOUR CARD IS LOST OR STOLEN OR IF AN UNAUTHORIZED USE MAY HAVE OCCURRED.** You agree to notify us immediately if your card is ever lost or stolen or if an unauthorized use may have occurred. The telephone number to call is (727) 570-4881 or (866) 604-0381 and you agree to follow up your call with notice in writing to us at:  
Credit Card Security Department  
P.O. Box 30035  
Tampa, Florida 33630.  
You also agree to assist us in determining the facts, circumstances and other pertinent information relating to any loss, theft or possible unauthorized use of your credit card and comply with such procedures as we may require in connection with our investigation, including assisting in the prosecution of any unauthorized user.
23. **CREDIT INFORMATION.** You agree that we may release information to others, such as credit bureaus, regarding the status and history of your account. However, we are not obligated to release any such information to anyone unless we are required by law to do so.
24. **WAIVERS.** If, for any reason, we do not make use of any of our rights under this Agreement on a particular occasion, that will not limit our rights in the future in any way.
25. **OUR ADDRESS.** To send payment: Payments must be sent to the address listed on the front of the billing statement after the phrase "make check payable to." To inquire or send correspondence: Write us at the address indicated on the front of the billing statement after the phrase "Please direct written inquiries to".
26. **IMPORTANT NOTICE to Our Customer Who Contacts Us by Phone.** Cardholder agrees that Issuer, its agents and service companies may, without the need to seek additional confirmation from Cardholder, monitor and/or record any telephone communications with Cardholder to ensure that inquiries from you are handled promptly, courteously, and accurately.
27. **VISA RULES AND REGULATIONS.** The services being provided to you under this Agreement are made possible by Issuer's status as a licensee of Visa. You recognize Issuer's responsibility to comply with the current Visa U.S.A. rules and regulations and changes to them in order to continue to provide these services. Visa cards may not be used for any illegal transaction. If there is any conflict between the provisions of this Agreement and the rules and regulations of Visa, the rules and regulations of Visa shall control.
28. **REGULATION Z INITIAL DISCLOSURES.** By using your card, you acknowledge receipt from us of the Initial Disclosures required by Regulation Z of the Truth-in-Lending Act and that the terms contained in the Initial Disclosures apply to you and your use of the card and are incorporated in full into this Agreement. The information about the terms and costs of the Card described in the Initial Disclosure is accurate as of the Effective Date. This information may have changed after that date. To find out what may have changed, call us at (802) 888-6600 or write to us at: Union Bank, PO Box 667, Morrisville, VT 05661.

**This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.**

**What to Do if You Think You Find a Mistake on Your Statement**

If you think there is an error on your statement, write to us at: Union Bank, P.O. Box 667, Morrisville, VT 05661. In your letter, give us the following information:

- a. Account Information: Your name and account number.
- b. Dollar Amount: The dollar amount of the suspected error.
- c. 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.

You must notify us of any potential errors in writing. **If you call us, we are not required to investigate any potential errors and you may be required to pay the amount in question.**

While we investigate whether or not there has been an error, the following are true:

- d. We cannot try to collect the amount in question, or report you as delinquent on that amount.
- e. The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine a mistake was made, you will not have to pay the amount in question or any interest or other fees related to that amount.
- f. While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- g. We can apply any unpaid amount against your credit limit.

**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 \$50.00. (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:

Union Bank  
P.O. Box 667  
Morrisville, VT 05661

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.

## Privacy Notice

Respecting and protecting customer privacy has always been vital to our business. While information is the cornerstone of our ability to provide superior service, our most important asset is our customers' trust. You have entrusted us not only with your finances, but also with your personal information. To protect and maintain this relationship, and to comply with FRB Regulation P effective July 1, 2001, we have adopted the following privacy principles:

**Union Bank collects non-public personal information about you from the following sources:**

- Information you provide on applications and other forms
- Information about your transactions with us, our affiliates, or others
- Information we receive from consumer reporting agencies

**Union Bank protects your information by restricting access to non-public personal information to employees who need that information to provide products and services to you.** We maintain appropriate security safeguards and procedures regarding customer information, which includes the use of passwords and access codes to prevent revealing sensitive information to inappropriate or unauthorized sources.

**We do not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law.** This may include information we collect as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

**Union Bank asks its business partners to maintain the same privacy standards.** When the Bank conducts business with third parties, it requires its vendors to maintain similar standards of conduct regarding the privacy of personally identifiable customer information provided to them.

**Union Bank communicates its privacy principles to new customers when they open accounts and annually thereafter.** Customers will be notified in advance if there are any changes in the Bank's privacy principles.

**Visitors to Union Bank's web site will remain anonymous.** We do not collect personal identifying information about visitors to our site. If you access account information online via our NetTeller service, you must provide your NetTeller ID and individually selected PIN. Your PIN should never be shared with anyone and may be changed at your discretion. To provide you with the privacy and peace of mind you deserve, Union Bank has implemented proven encryption methods to transmit account information across the Internet.

**Please be advised that e-mail is not encrypted and sensitive information should not be sent via e-mail. Additionally, please be aware that the use of cell phones and portable phones is not a secure means for conducting bank business.**

**Union Bank strives to maintain the most up-to-date, complete and accurate customer and account information. If you have any questions, please call us at (802) 888-6600, email us or write to us at:**

**P.O. Box 667  
Morrisville, VT 05661**