

## **Secured Credit Card Addendum to First Bank Cardmember Agreement**

This Secured Credit Card Addendum (the "Addendum") amends and supplements the First Bank Cardmember Agreement (the "Agreement"). To the extent that the terms of this Addendum are contrary to the terms of the Agreement, the terms of this Addendum shall control.

### **SECURITY AGREEMENT.**

This is the Security Agreement referred to in your First Bank secured credit card application. Terms not defined in this Addendum shall have the meaning defined in the Agreement.

1. *Collateral.* You understand and agree that you have delivered security deposit funds on your behalf to First Bank pursuant to the terms of this Addendum (collectively the "Funds") to secure your First Bank secured credit card account (the "Account"). All Funds will be held in an account (the "Security Account") and/or all amendments, extensions, renewals or replacements of that Security Account. The Funds are insured by the Federal Deposit Insurance Corporation ("FDIC") to the extent permitted by law. You have no right to withdraw from the Security Account other than as provided in this Addendum. The Funds serve as collateral to secure the obligations to First Bank that you incur in connection with your Account (the "Obligations"). First Bank will maintain separate records to account for your Funds. First Bank will not send a statement for the Security Account. You understand that if your account is opened jointly by two or more persons, First Bank may release Funds relating to joint Accounts upon instruction of any one of the persons in whose name a joint Account has been opened, and will not be liable to any other party to the joint Account for such release. In the case of a joint Account, notice to one joint cardholder will be considered notice to all joint cardholders.
2. *Additional Funds.* You may be given the opportunity to provide First Bank with additional Funds, up to an aggregate card limit established for your Account in order to increase your credit limit. Any additional Funds will be added to the Security Account. If you request a decrease in your credit limit, you understand that First Bank may hold Funds in excess of your credit limit. You may not withdraw Funds or request a refund of your Funds at any time, other than by paying all of your Obligations to First Bank and closing your Account.
3. *Pledge of Security Interest to First Bank.* You hereby pledge and grant to First Bank, as of the date of the delivery of Funds to First Bank, a security interest in the Funds for the purpose of securing your Obligations and relinquish any right, title and interest in and to the Funds except as provided in this Addendum. (For purposes of FDIC insurance, you will be deemed the beneficial owner of the Funds). You agree to take any action requested by First Bank to perfect or protect the first lien position of First Bank's security interest in the Funds. You hereby waive the benefit of your homestead exemption or any other exemptions existing under the laws of the State of North Carolina as to your Obligations and/or the Funds.
4. *Interest on Funds.* The Security Account is a non-interest bearing account and accordingly, no interest will be paid on the Funds.
5. *Default.* You shall be deemed in default under this Addendum if you are in default under the terms of the Agreement, including failing to pay your Obligations at any time when due. In the

event of a default, you authorize First Bank to withdraw Funds from the Security Account and to apply such amounts withdrawn to such Obligations without prior notice to you or a demand for payment.

6. *Application of Funds to the Account.* If your Account is closed by you or by us, or if you are in default on your Account, we may apply the Funds toward any outstanding balance on the Account. Within sixty (60) days of applying the Funds to your Account, we will return any excess Funds to you.
7. *Governing Law.* This Addendum shall be governed by the laws of the State of North Carolina. First Bank may assign its rights and obligations under this Addendum.
8. *Current Address.* You will advise First Bank of any changes in your mailing address and you understand that First Bank will rely upon and use the last address provided to us or the U.S. Postal Service to communicate with you.
9. *Legal Proceedings; Disputes.* You represent that you are not party to a bankruptcy proceeding that might affect First Bank's interest in the Funds. You have not or will not attempt to transfer any interest in the Funds to any person other than First Bank or offer the Funds as security to any other person other than First Bank. You acknowledge that the Funds may be restricted while any legal proceeding is pending. If First Bank hires an attorney to defend or enforce its rights under this Addendum or the Agreement or to collect any Obligation, you will pay First Bank all reasonable attorneys' fees and court costs incurred.
10. *Escheat.* You understand that if there is no activity with respect to your Account for a prescribed period of time (generally five years), your Funds may be presumed to have been abandoned and will be transferred (by a procedure known as "escheatment") to the State of North Carolina. We will attempt to contact you as provided by law prior to any such escheatment.