

First National Bank Card Regulations

1. Cardholder Agreement. These regulations govern the possession and use of credit cards ("card") issued by First National Bank ("Issuer"). Each person who applies for a credit card and in whose name the card is issued ("Holder") consents and agrees to these regulations and to the terms contained on the credit cards, sales drafts, credit adjustment memos and cash advance drafts, signed by or given to Holder or any authorized user of Holder's cards. When credit cards are issued upon the application of two or more persons, all such persons shall be jointly and severally liable as Holders. The provisions of these regulations, as amended from time to time, govern Holder's obligations, notwithstanding any additional or different terms contained in sales drafts, credit adjustment memos, cash advance drafts or other forms signed by or given to Holder or any user of Holder's cards to evidence a credit card transaction. Holder authorizes an investigation of Holder's credit standing prior to the issuance of a credit card to Holder and at any time thereafter and authorizes disclosure of information to third parties relating to Holder's credit standing. These regulations apply to all credit cards issued to Holder or to others on Holder's authorization and to any user of Holder's cards.

2. Membership Fees. As a condition of participation in the issuer's credit plan and the issuance of a card, Holder agrees that there is a \$15 annual membership fee for MasterCard consumer and business accounts. The membership fee described above entitles the Holder to two MasterCard cards. Holder agrees to pay a fee for each additional card requested. Please see Rates and Fees Disclosure Table for fees charged.

3. Use of Card. Credit for purchases from a merchant or a cash advance from a participating financial institution may be obtained by Holder or an authorized user of Holder's card presenting one of Holder's cards to the merchant or participating financial institution and, if requested, by providing the proper identifying information and signing the appropriate drafts. Failure to sign a draft does not relieve the Holder of liability for purchases made or cash received. The use of this card for illegal transactions is prohibited. The card may also be used to obtain cash advances from certain automated equipment provided it is used with Holder's correct Personal Identification Number ("PIN") issued to Holder. Holder may make cash advance withdrawals up to the credit limit available each day from compatible ATM terminals. Terminals or terminal operators may have other limits on the amounts or frequency of cash withdrawals. Holder will not be liable for the unauthorized use of the card or PIN issued to Holder which occurs before Issuer receives notification orally or in writing of loss, theft, or possible unauthorized use of a card or PIN. Lost or stolen cards or PINs should be reported immediately to Issuer by notifying CUSTOMER SERVICE, 10740 N Gessner Suite 250, Houston TX 77064, and Telephone (855) 293-2458. or is out of the country, cardholders can call collect on (206) 352-4401.

4. Credit Line. Holder will from time to time be informed of the amount of the approved credit line established for Holder, and Holder covenants not to make credit purchases or borrowings in excess of that amount. Holder is liable for all purchases and borrowings made with Holder's cards by Holder or by anyone authorized to use Holder's cards.

5. Payment. Holder will be furnished a monthly statement for each billing period at the end of which there is an undisputed debit or credit balance of \$1.00 or more. Holder shall pay within 25 days after each statement Closing Date either (a) the full amount billed ("New Balance") or, at Holder's option, (b) The minimum periodic payment required is the total New Balance as shown on your monthly billing statement if the amount is under \$10.00. If the New Balance exceeds \$10.00, the minimum periodic payment of 2.50% of that portion of the New Balance which does not exceed your credit limit, plus the entire portion of the New Balance in which does not exceed your credit limit. Plus any amount past due of \$10.00, whichever is greater. Payments received after 5:00 p.m. on any processing day or at any time on any non processing day will be considered as payments made on the following processing day. All payments by Holder will be applied first to payment of interest Charges in the order of their entry to the account, second to additional fees and credit insurance charges, if any, in the order of their entry to the account, third to previously billed cash advances, purchases, and other similar charges in the order of their entry to the account, and then to current cash advances, purchases and other similar charges in the order of their entry to the account. Payments may be mailed to First National Bank, PO Box 650789, Carrollton TX 75006 or overnight payments to: First National Bank, ATTN: PO Box 650789, 3000 Kellway Dr, Suite 120, Carrollton TX 75006

6. Interest Charges. Holder shall pay Interest Charges as shown on Holder's monthly statements, for each billing period in which there is a cash advance or the Previous Balance is not paid in full prior to the Closing Date of the billing statement. For cash advance fees, please see the Rates and Fees Disclosure Table. We figure the Interest Charges on your account by applying the monthly Periodic Rate to the entire "Balance Subject to Interest Rate." The additional charge for cash advances shall not apply to any cash advance obtained under a separate credit agreement with Holder and written in connection with these regulations. The "Balance Subject to Interest Rate" is the "average daily balance," of the account (including current transaction). To get the "average daily balance," we take the beginning balance of the account each day, add any new cash advances, credit purchases, and other charges, and subtract any payments or credits, unpaid late charges, unpaid membership fees and unpaid Interest Charges. This gives us the daily balance. Then, we add up all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "AVERAGE DAILY BALANCE." Interest charges for credit purchases begin on the date the purchase is posted to the account unless the Previous Balance shown on the statement is paid in full prior to the Closing Date of the statement. Credit purchases made during the statement period and the Previous Balance will be excluded from the calculation of the "average daily balance" if the Previous Balance shown on the front of the statement was paid in full prior to the Closing Date of the statement. The Interest Charges for cash advances begin on the date the advance is posted to the account. Holder may avoid additional Interest Charges on an account by paying in full the New Balance shown on the account's monthly statement within 25 days after the Closing Date for that statement.

7. Variable Annual Percentage Rate. The current monthly Periodic Rate and corresponding ANNUAL PERCENTAGE RATE for new accounts are disclosed by accessing the Rates and Fees disclosure at www.fnbank.net. These rates may vary monthly and shall be adjusted on the first day of each billing period ("Change Date"). The ANNUAL PERCENTAGE RATE on each Change Date shall equal the highest prime rate published in The Wall Street Journal "Money Rates" tables on the last date of publication in the calendar month preceding each Change Date ("Index Rate"), PLUS a Margin.

For more information on the current margin(s) please refer to the Rates and Fees Disclosure Table. The monthly Periodic Rate is 1/12th of the ANNUAL PERCENTAGE RATE. Beginning on the date an adjustment in the rate is effective and until the next Change Date, the monthly Periodic Rate then in effect will be applied to the balance in the account to determine the Interest Charges. An adjustment in the monthly Periodic Rate and corresponding ANNUAL PERCENTAGE RATE will apply both to outstanding balances in the account and to new cash advances, (including any balance transfers from other credit card accounts), credit purchases, and other charges. An increase or decrease in the Index Rate will cause an increase or decrease in the monthly Periodic Rate and corresponding ANNUAL PERCENTAGE RATE and may increase the amount and number of minimum payments. If the Index Rate ceases to be made available, Issuer may substitute a substantially similar index and margin.

8. How We Will Calculate Your Variable APRs: We calculate variable APRs by adding a margin to the highest U.S. Prime Rate published in the Money Rates section of The Wall Street Journal. The APR may increase or decrease each month if the Prime Rate changes. Any new rate will be applied as of the first day of your billing cycle during which the Prime Rate has changed. If the APR increases, you will pay a higher interest charge and may pay a higher minimum payment. The Prime Rate is simply a reference index and is not the lowest interest rate available. If The Wall Street Journal stops publishing the Prime Rate, we will select a similar reference rate.

9. Additional Fees. For a listing of fees charged in association with this card, please see the Rates and Fees Disclosure Table accompanying this Agreement. These charges will not be imposed if Holder's request is in connection with or delivery of the documents in response to an alleged billing error under Regulations E or Z issued by the Board of Governors of the Federal Reserve System. Fees imposed will be posted to the Holder's account.

10. Insurance. If available and if the Holder is eligible and elects to participate in the group credit life, disability and loss of income insurance program by signing the appropriate enrollment forms, insurance charges will be posted to Holder's account each statement period at the rate disclosed in the enrollment form based upon the New Balance on the account (including accrued Interest Charges) for each statement period. CREDIT LIFE, DISABILITY AND LOSS OF INCOME INSURANCE IS VOLUNTARY AND IS NOT REQUIRED AS A CONDITION TO HOLDER'S PARTICIPATION IN THIS CREDIT PLAN.

11. Foreign Transactions. If a Holder's card is used to effect a transaction in a foreign currency, the transaction amount will be converted to U.S. dollars by MasterCard International. MasterCard converts currency to U.S. dollars using either the government mandated exchange rate or the wholesale exchange rate, in effect one day before the date of the conversion, as applicable. The exchange rate is increased by 1% if the conversion is made in connection with a charge to an account and decreased by 1% if the conversion is made in connection with a credit to an account. The date of conversion by MasterCard may differ from the purchase date and the posting date identified in the monthly statement for the account. Holder agrees to pay charges and accept credits for the converted transaction amounts in accordance with the terms of this paragraph.

12. Disputes. Issuer is not responsible for refusal by any merchant, financial institution or automated equipment to honor or accept a card. Except as provided in the Federal Truth-in-Lending laws (as indicated in the Summary of Billing Rights below), Issuer has no responsibility for merchandise or services obtained by Holder with a card and any dispute concerning merchandise or services will be settled between Holder and the merchant concerned.

13. Default. Holder covenants to observe and comply with these regulations and covenants not to permit an event of default to occur. Upon the occurrence of any one or more of the following events of default: (a) Holder fails to pay at least the Minimum Payment when due on two occasions within any 12-month period; or (b) Holder dies, ceases to exist, changes residency to another state, becomes insolvent or the subject of bankruptcy or insolvency proceedings or fails to observe any covenant or duty contained in these regulations, if such event or breach materially impairs Holder's ability to pay amounts due; the full amount of Holder's account for which the default occurred (including unpaid Interest Charges) shall, at Issuer's option become immediately due and payable if Holder does not cure the default within 15 calendar days after notice is mailed to the address of Holder; or given as otherwise provided by law. Issuer has this right, without notice and opportunity to cure; if the default is the Holder's third default within 12 months and the Holder is notified of the prior two defaults and the Holder cured those defaults.

14. Termination. Holder's consent to these regulations may be terminated at any time by surrendering the cards issued to Holder or at Holder's written request, but such termination shall not affect Holder's obligations as to any balances or charges outstanding at the time of termination. Termination by any Holder shall be binding on each person in whose name the card is issued. If Holder's spouse terminates this credit plan, the full amount of Holder's account (including unpaid Interest Charges) may be declared immediately due and payable. Issuer may terminate Holder's privilege to use the cards if Holder moves out of the service area of Issuer, as defined by issuer from time to time. Unless sooner terminated, the privilege to use the cards shall expire on the date shown on the cards. At any time, without liability to Holder and without affecting Holder's liability for credit previously extended, Holder's privilege to use the cards may be revoked or limited to the extent not prohibited by law. The cards are and shall remain the property of Issuer and Holder agrees to surrender them to Issuer upon demand.

15. Amendments. Issuer may amend these regulations from time to time by sending Holder advance written notice not less than 90 days prior to the effective date for any change that is either adverse to Holder's outstanding balance or increases certain fees, as required by the Arkansas Consumer Act from time to time, or not less than 15 days prior to the effective date for any other changes, or as may otherwise be required or permitted by law. To the extent that Issuer indicates in the notice and that the law permits, amendments will apply to Holder's existing account balance as well as to future transactions. Notices are deemed given when mailed by issuer to any Holder to the current address for mailing monthly statements. Invalidity of any provision of these regulations shall not affect the validity of any other provisions unless otherwise provided by the Arkansas Consumer Act.

16. Governing Law. Holder agrees to be governed by the Arkansas Consumer Act with respect to all aspects of the transactions arising under these regulations. All statutory references are to the statutes as they may be renumbered or amended from time to time.