

CALCOE FEDERAL CREDIT UNION
VISA CLASSIC CREDIT CARD ACCOUNT AGREEMENT

This Agreement covers the Visa Classic Credit Card Account issued by CALCOE Federal Credit Union ("Credit Union"). In this Agreement the words "you," "your," "yours," "applicant," and "Borrowers" mean any person who signs the application for this Account, any joint obligor, guarantor, authorized user, or the person whose name is embossed on the Card. The words "we," "us," "our," and "Credit Union" mean CALCOE Federal Credit Union. The word "Card" means any one or more credit cards issued under this Account. If you sign an application for this Account or sign or use any Card or PIN, or allow others to use the Card or PIN, you and they will have accepted this Agreement just as if you and they signed it, and you and they, jointly and severally, will be bound by the following terms and conditions which will govern this Account.

1. **You Promise to Pay.** You promise to pay us all amounts, plus any FINANCE CHARGES, which arise from use of the Card or Account by you or any other person, and to be jointly and severally liable with such a person, unless such other person does not have actual, implied, or apparent authority for such use, and you received no benefit from the use. You promise to pay us either by direct payment or by automatic transfers from shares or by payroll deduction.
2. **Purchases And Cash Advances.** You must sign the Card to use it. Once you have signed the Card, you can use it to buy or lease goods, services, or insurance wherever the Card is honored, up to the full amount of your Credit Line. You may use your Account to get cash advances from us. You may also use your Card to get a cash advance from participating financial institutions and to access your line of credit at automatic teller machines (ATMs) within the VISA network or any other ATMs we designate.
3. **Loan Drafts.** If we approve, you may obtain advances under your account by writing preprinted loan drafts that we supply to you. Your use of loan drafts will be shown as credit advances on your monthly statement. We may not honor your loan draft if your draft is postdated, payment of the draft will exceed your credit limit, a draft is signed by a person without authorized access, the amount of the draft is less than the minimum required amount, your account has been terminated or suspended, or any drafts have been reported lost or stolen. You may stop payment on a loan draft if you provide us with the exact information describing the draft. If you give us incorrect information, we will not be responsible for failing to stop payment. You understand there may be a charge for loan draft printing and charges for stop payment requests, returned items, draft copies, and other fees or costs we incur in handling your loan drafts. Our liability for a wrongful dishonor is limited to your actual losses; however, a dishonor for the reasons stated above is not a wrongful dishonor.
4. **Credit Line.** If we approve your application, this Agreement will constitute a revolving line of credit for an amount which will be the Credit Line under your Account. We will advise you of the amount of your Credit Line. That amount will be the maximum amount you may have outstanding at any one time. You agree not to attempt to obtain more credit than the amount of your Credit Line. However, if you temporarily exceed your Credit Line, you agree to repay the excess immediately, even if we have not yet billed you. Obtaining such credit does not increase your Credit Line. We retain the right to increase or decrease your Credit Line at any time. Any increase or reduction in the amount of your Credit Line will be shown on your monthly statement or by separate notice together with any changes in the applicable Minimum Monthly Payments. Your eligibility for this Credit Line is determined by our loan policy and may be terminated at our sole discretion, without demand or notice. You may close your Credit Line at any time by notifying us in writing and returning all Cards cut in half. If you terminate this Agreement or if we terminate or suspend your credit privileges, the provisions of this Agreement and your liability hereunder shall otherwise remain in full force and effect until you have paid us all sums due us under this Agreement and returned all Cards.
5. **Minimum Monthly Payment.** You agree that you will pay each month not less than the Minimum Monthly Payment on or before the scheduled monthly due date. Minimum Monthly Payments include all amounts past due, late charges, any balance over the limit, and the minimum regular payment. The minimum regular payment will be equal to 3% of the outstanding balance, or \$25, whichever is greater. If your outstanding balance is \$25 or less, you agree to pay the entire balance. Every month you must pay the Minimum Payment by the due date shown on your statement. You may pay in full for all your purchases and cash advances each month, or you may repay in monthly installments. We can accept late payments or partial payments, or checks, drafts, and money orders marked "payment in full," without prejudice to our rights under this Agreement, which are hereby explicitly reserved. To the extent permitted by law, payments will be applied first to fees or charges, then to previously billed and unpaid FINANCE CHARGES, previously billed and unpaid purchases and cash advances, and the remainder, if any, to any new purchases.
6. **Security Interest.** To secure your Account, you grant us a purchase money security interest under the Uniform Commercial Code in any goods you purchase through your Account. If you default, we will have the right to recover any of these goods which have not been paid for through application of your payments in the manner described above. Collateral securing other loans with the Credit Union (except loans secured by real property) also secures this Account. This includes vehicles, boats, and other collateral given in connection with other loans or lines of credit. You also give us a security interest in all of your share or deposit accounts with the Credit Union. You agree that we may apply the balance in any individual or joint account on which you are an owner to pay any amounts owed under this Account without further notice to you.
7. **Periodic Statements.** Each month, if your outstanding balance exceeds \$1, we will send you a statement showing new purchases, cash advances, payments, and credits made to your Account during the billing cycle, your Previous Balance, your "New Balance," any FINANCE CHARGE, and any other charges. Your statement also will identify the remaining credit limit available and the Minimum Monthly Payment you must make for that billing period and the date it is due. You agree to retain for statement verification copies of transaction slips resulting from each purchase, each advance, and other transaction on your Account. Unless you notify us of a billing error as described below, you accept your monthly statement as an accurate statement of your Account with us.
8. **Circumstances Under Which a FINANCE CHARGE Will Be Imposed.** The total outstanding balance of purchases and cash advances in the Account on the closing date of a billing cycle, including any FINANCE CHARGE will be shown on the Periodic Statement for that billing cycle as the "New Balance."
 - a. **Cash Advances.** A FINANCE CHARGE will be imposed on cash advances from the date each cash advance is made. There is no time period within which to pay to avoid a periodic FINANCE CHARGE on cash advances.
 - b. **Purchases.** Your due date will be at least 23 days after the closing date. A FINANCE CHARGE will be imposed on the unpaid portion of purchases included in the new balance when the entire new balance is not paid in full by the due date shown on the statement. This "grace period" allows you to avoid a FINANCE CHARGE on purchases for a billing cycle (if there is no unpaid purchase balance from the prior cycle). If you do not pay within the grace period, your FINANCE CHARGE will accrue from the first day of the billing cycle in which payment is due, and will accrue on new purchases from the date of purchase.
9. **Method Used to Determine The Balance on Which The FINANCE CHARGE May Be Computed And Amount of FINANCE CHARGE.** The Credit Union figures the FINANCE CHARGE on your Account by multiplying the Periodic Rate separately by the "Average Daily Balance" of purchases and cash advances for your Account. To get the "Average Daily Balance" we take the beginning balance of your Account each day, add any new purchases or cash advances, and subtract any payments or credits, unpaid FINANCE CHARGES and unpaid late charges. Purchases that qualify for the grace period as set forth above are excluded from the balance for this purpose. This gives us the daily balance. Then, we add up all 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."
10. **Periodic Rate And Corresponding ANNUAL PERCENTAGE RATE.** The Periodic Rate that is used to compute the FINANCE CHARGE is 0.9916% and the corresponding ANNUAL PERCENTAGE RATE is 11.9%.
11. **Conditions under Which Other Charges May Be Imposed.** We may impose fees and charges on your Account as set forth below. The Credit Union reserves the right to assess other fees in the future, including a late payment fee. You will be notified of any new fees as required by law.
 - a. **Late Fee.** You agree to pay a late fee equal to \$25 for each minimum payment not paid within 10 days of the due date.
 - b. **Returned Check Charge.** A \$20 charge will be assessed against your Account when a check submitted for payment on the Account is returned, regardless of the reason.
 - c. **Foreign Transaction Fee.** A fee equal to 0.8% percent of the amount of the transaction will be charged for all transactions conducted in U.S. dollars with a merchant or institution that is located outside the U.S. A fee equal to 1.0% percent of the amount of the transaction (calculated in U.S. dollars) will be charged for all transactions conducted in foreign currency with a merchant or institution that is located outside the U.S.
 - d. **Research and Copying Fees.** We may charge you up to \$6 for each copy and up to \$20 per hour of research required if you request copies of any items or documents related to your Account. If the request relates to a billing error and we determine that a billing error was made, any photocopying charges will be refunded.
 - e. **Attorney's Fees and Costs.** If you default on any part of this Agreement, you agree to pay us all costs to collect your Account, including court costs and reasonable attorney fees whether or not there is a lawsuit, and fees on

any appeal and fees for bankruptcy proceedings, appeals, and any post judgment collection services, if applicable. These fees and costs may be added to your Account balance and will bear interest at the ANNUAL PERCENTAGE RATE in effect at that time.

12. **Conditions of Card Use.** The use of your Card and Account are subject to the following conditions:

a. **Ownership of Cards.** Any Card or other credit instrument or device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card, immediately according to instructions. The Card may be repossessed at any time in our sole discretion without demand or notice. You cannot transfer your Card or Account to another person.

b. **Honoring the Card.** Neither we nor merchants authorized to honor the Card will be responsible for the failure or refusal to honor the Card or any other credit instrument or device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your Account in lieu of a cash refund. You may not use the Card or Account for any transaction that is illegal or unlawful. We may refuse to authorize any transaction that we believe may be illegal or unlawful.

c. **Foreign Transactions.** Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The exchange rate used to convert the transaction to U.S. dollars will be a rate selected by VISA from a 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. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

d. **Notices and Payments.** All notices will be sent to your address as shown in the application. You agree to advise us promptly if you change your mailing address. All payments should be mailed to us at the remittance address shown on your monthly statements. Payments received at that address will be credited to your Account as of the date received. Written notices and inquiries to us must be sent to:

CALCOE Federal Credit Union
1209 N. 16th Ave.
Yakima, WA 98902
(800) 822-2370 (509) 248-4308

e. **Personal Identification Number.** If we issue you a Personal Identification Number ("PIN") for use with your Card in accessing your line of credit at automatic teller machines ("ATMs"), these numbers are issued to you for your security purposes. These numbers are confidential and should not be disclosed to third parties. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make available your PIN to anyone not authorized to sign on your Accounts. To keep your Account secure, please do not write your PIN on your Card or keep it in the same place as your Card.

13. **Pledge of Shares.** By signing the Application, you pledge all of your present and future shares and any earnings thereon. You understand that if you default on your VISA Account, we may apply all that is pledged to your VISA Account (IRA and Keogh accounts are excluded from the Pledge of Shares).

14. **Default.** You will be in default under this Agreement if any of the following occur: (a) Any Minimum Monthly Payment is not made when due; (b) You become insolvent, bankrupt, or you die; (c) You violate any part of this Agreement, or any other agreement with us; or (d) if we reasonably deem ourselves insecure with respect to your Account. Upon default, we may declare the entire unpaid balance immediately due and payable, and you agree to pay that amount plus any attorney's fees and costs incurred by us. We can delay enforcing any right under this Agreement without losing that right or any other right. We will notify you in writing of any such action as soon as practical if it occurs.

15. **Governing Law.** This Agreement will not take effect until it is approved by us. This Agreement shall be governed by the laws of the State of Washington.

16. **Severability.** If any provision of this Agreement is held invalid, the remaining provisions that are severable shall remain in effect.

17. **Loss or Theft of Card.** You agree to notify us immediately at CALCOE Federal Credit Union, 1209 N. 16th Ave., Yakima, WA 98907, (800) 822-2370 or (509) 248-4308 of the loss, theft or unauthorized use of your Card. You will not be liable for any losses provided you were not grossly negligent or fraudulent in handling your Card. In any event, your liability for unauthorized VISA credit card transactions shall not exceed \$50.

18. **Credit Information/financial Statements.** You authorize us to release information to others (e.g., credit bureaus, merchants, and other financial institutions) regarding the status and history of your Credit Line. You agree to provide us, at any time we deem necessary, with a current financial statement and/or a new credit application upon request. We may investigate your credit directly or through a credit reporting agency.

19. **Acknowledgment and Amendments.** You understand and agree to the terms and conditions in this Agreement and the Fair Credit Billing Notice. You acknowledge that you have received a copy of this Agreement and Disclosure and the Fair Credit Billing Notice. We have the right to change any terms or conditions of this Agreement at any time, subject to applicable laws.

20. **Billing Errors Notice, Your Billing Rights.**

a. **Keep This Notice for Future Use.** 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 to us at the address listed above. 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 you have authorized us to pay your Account bill automatically from your share or share draft, 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 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 you 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 CHARGE related to any questioned amount. If we didn't 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.

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 to whom we reported you. 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 can't 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 a 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:

- 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
- The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.