

VISA CREDIT CARD AGREEMENT FOR BUSINESS ACCOUNTS

This Agreement covers your VISA Classic Credit Card for Business Account(s) issued by Whatcom Educational Credit Union (“Lender”). In this Agreement the words “you,” “your,” “yours,” “applicant,” and “Borrowers” mean the business member who signs the application for this credit card Account, any joint obligor, guarantor, or authorized user. The words “we,” “us,” “our,” and “Lender” mean Whatcom Educational Credit Union. The word “Card” means any one or more credit card(s) issued under the Credit Union’s VISA Classic Credit Card for Business Accounts program for use by Borrower and its employees and authorized users. By signing the Application for this Account, you agree to the following terms and conditions which will govern this Account.

TO REPORT A LOST OR STOLEN VISA CARD: During regular business hours call WECU, after hours and weekends call 800.682.6075.

1. ACCOUNT ACCESS.

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 or services, 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 or automated teller machines (ATMs). You may use your Card to purchase goods and services any place your VISA Card is honored by participating merchants. No purchase may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient funds.

2. YOU PROMISE TO PAY.

You promise to pay us all such 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 your accounts.

3. CREDIT LINE.

This Agreement will constitute a revolving line of credit for an amount which will be the credit line under your Account. You may access your credit line through VISA Credit Card purchases and cash advances at participating merchants. We will advise you of the amount of your initially approved credit line. We may increase or decrease your credit line at any time for any reason including changes in your credit qualification and any credit reports. Your approved credit limit is 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 pay any overlimit fees and repay the excess immediately, even if we have not yet billed you. Obtaining such credit does not increase your credit line. Any increase or reduction on the limit 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.

4. MINIMUM MONTHLY PAYMENT.

We will send you a statement every month showing your Previous Balances of purchases and cash advances, the current transactions on your account, the remaining credit available under your Credit Line, the New

Balances of purchases and cash advances, the Total New Balance, the **FINANCE CHARGE** due to date, and the Minimum Payment required. Every month you must pay at least the Minimum Payment within 25 days of your statement closing date (the 10th of the following month). If the 10th of the month falls on a weekend, the payment is due the Friday before. You may, of course, pay more frequently, pay more than the Minimum Payment, or pay the Total New Balance in full, and you will reduce the **FINANCE CHARGE** by doing so. The Minimum Payment will be either (a) 3% of your Total New Balance, or \$20.00, whichever is greater, or (b) your Total New Balance, if it is less than \$20.00 plus (c) any portion of the Minimum Payment(s) shown on prior statement(s) which remains unpaid. In addition, at any time your Total New Balance exceeds your Credit Line, you must immediately pay the excess upon our demand. Your payment will be applied first to any fees (late and/or high balance), previously billed and unpaid finance charge on cash advances, balance transfers, and purchases; then to previously billed cash advances, previously billed balance transfers, previously billed purchases, then to new cash advances, new balance transfers and new purchases.

5. SECURITY INTEREST.

You grant the Credit Union a security interest under the Washington Uniform Commercial Code in any goods purchased through your VISA Credit Card Account. You agree that all collateral you have given the Credit Union to secure other loan obligations (except consumer loans), in the past and in the future, will secure your obligations under this Agreement. In addition, by signing the Loan Application, you have given us a security interest in all your shares and deposits, present and future, and all accounts (except Individual Retirement Accounts) with the Credit Union you agree, upon default, the Credit Union may apply all that is secured to pay any amounts due under this Agreement, without further notice to you.

6. MONTHLY STATEMENTS.

Each month we will send you a statement showing purchases, cash advances, payments, and credits made to your Account during the billing cycle, as well as your “New Balance,” any **FINANCE CHARGE** and any late charge or other charges. Your statement also will identify 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 transactions on your Account. Unless you notify us of any statement error, you accept your monthly statement as an accurate statement of your Account with us.

7. 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 to the date paid. There is no time period within which to pay to avoid a periodic **FINANCE CHARGE** on transaction.

B. Purchases. A **FINANCE CHARGE** will be imposed on VISA Credit Card purchases included in the new balance when the entire new balance is not paid in full within 25 days after the closing date. This “grace period” allows you to avoid a **FINANCE CHARGE** on purchases for a billing cycle. If you do not pay within the grace period, your **FINANCE CHARGE** will accrue from the date of purchase.

8. METHOD USED TO DETERMINE THE BALANCE ON WHICH THE FINANCE CHARGE MAY BE COMPUTED AND AMOUNT OF FINANCE CHARGE.

The Credit Union figures the Periodic **FINANCE CHARGE** on your Account by applying the Periodic Rate to the “Average Daily Balance” of purchases and cash advances for your Account. To get the “Average Daily Balance” we take the beginning purchase and cash advance balance of your Account each day, add any new purchases, cash advances and subtract any payments or credits, unpaid **FINANCE CHARGES** and unpaid late charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide by the number of days in the billing cycle. This gives us the Average Daily balance for both purchases and cash advances. However, no **FINANCE CHARGE** is imposed on purchases if payments and credits are made sufficient to pay the “New Balance” shown on your periodic statement within 25 days of the closing date of the previous billing cycle.

9. PERIODIC RATE AND CORRESPONDING ANNUAL PERCENTAGE RATE.

The **FINANCE CHARGE** imposed during the billing cycle will be determined by multiplying the Average Daily Balance by the Monthly Periodic Rate. The **ANNUAL PERCENTAGE RATE** is divided by 12 to produce the monthly rate. The Periodic Rate and **ANNUAL PERCENTAGE RATE** are fixed rates as follows: **ANNUAL PERCENTAGE RATE** – 12.9% (1.07500% Periodic Rate). In the event you are in default of this Agreement, the **ANNUAL PERCENTAGE RATE** will be increased to 18% on the first day of the month following notice of default. The **ANNUAL PERCENTAGE RATE** applicable to your account will be disclosed to you with your Card and shown on each monthly statement. The “**Total FINANCE CHARGE**” shown on your monthly statement consists of the periodic **FINANCE CHARGE** on purchases, the periodic **FINANCE CHARGE** on cash advances.

10. CONDITIONS UNDER WHICH OTHER CHARGES MAY BE IMPOSED.

A. We may impose the following fees and charges on your Account:

1. Late Charges. If we do not receive your minimum payment within 10 days of the due date, we will impose a Late Charge of 5% of the payment or \$5.99 whichever is greater, for each late payment.

2. Over-Limit Charges. If the unpaid balance of your account exceeds the Credit Line stated on your monthly billing statement, we may impose an over-limit fee of \$10.00.

3. Returned Item Charge. If any check or draft we receive from you as payment for any amount you owed to us is returned to us unpaid, we may impose a returned item fee of \$5.00.

4. Card Replacement Fee. We may impose a \$5.00 card replacement fee for each VISA card which is lost, stolen, or damaged.

5. Warning Bulletin Listing Fee. We will impose a fee of \$15.00 for listing your account in the Warning Bulletin for VISA merchants for recapture.

6. Miscellaneous Photocopying. If you request a copy of a sales draft

or other document, we may charge your Account \$12.00 per copy and \$15.00 per hour. These charges cover the costs of locating, copying, and delivering the documents to you. If a request is related to a billing error and an error is found, we will reverse any photocopying charges.

7. ATM Fees. If you use an ATM to obtain a cash advance and the ATM is not operated by us, you may be charged an ATM surcharge by the ATM operator or an ATM network utilized for such a transaction. The ATM surcharge may be charged to your account if you complete the transaction.

8. 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 in-house collection fees equal to the statutory attorney fees as set forth in RCW 4.84.080 or outside collection agency fees, whichever is applicable, court costs and reasonable attorney fees and collection agency costs 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.

11. CONDITIONS OF CARD USE.

A. The use of your Card and Account are subject to the following conditions:

1. 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 at our sole discretion without demand or notice. You cannot transfer your Card or Account to another person. You may not use the Card for any illegal or unlawful transactions and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness.

2. 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.

3. Currency Conversion/Foreign Transactions. Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. The currency conversion rate for international transactions as established by VISA International, Inc. is a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition, you will be charged a Foreign Transaction Fee of 1% of the transaction amount for any card transaction made in a foreign country and .80% of the transaction amount for Internet merchants that bill through a foreign financial institution.

4. 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 sent 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.

5. Personal Identification Number. We will issue you a Personal identification Number (“PIN”) for use with your Card 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 safe-keeping 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.

12. 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 on your credit line. We will notify you in writing of any such action as soon as practical if it occurs. 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 including collection agency costs incurred by us. We can delay enforcing any right under this Agreement without losing that right or any other right.

13. 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 updated credit information upon request. We may investigate your credit directly or through a credit reporting agency.

14. LOSS OR THEFT OF VISA CREDIT CARD.

You agree to notify us immediately of the loss, or the theft, or the use without your permission, of any Card or other credit instrument or device which we supply to you. You may be liable for any unauthorized

use on the account. Please call the Credit Union at 360.676.1168 or 800.525.8703(ext 7360). After hours and on weekends, call 800.682.6075.

15. ACKNOWLEDGMENT AND AMENDMENTS.

You understand and agree to the terms and conditions in this Agreement. You acknowledge that you have received a copy of this Agreement and Disclosures. We have the right to change any terms and conditions, subject to applicable laws, of this Agreement at any time. If we change the periodic rate, and subsequent purchases or advances are made under this Agreement, the entire balance will be subject to the new rate.

16. 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.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.