



STCU Business Rewards & Premier Rewards World Mastercard® Credit Card Agreement

This Credit Card Agreement (Agreement) and the Account Disclosures accompanying this Agreement will govern your STCU Rewards and STCU Premier Rewards World Business Mastercard Credit Card and account issued by Spokane Teachers Credit Union ("STCU"). The terms and conditions of this Agreement will apply the same to both the STCU Rewards and STCU Premier Rewards World Business Mastercard.

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 Spokane Teachers 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 govern this Account.**

1. YOU PROMISE TO PAY. You promise to pay us all amounts, plus any **Interest 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.

2. PURCHASES, CASH AND OVERDRAFT 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 at ATMs, our branch offices, and at participating financial institutions. Loan overdraft transfers will be made in the amount necessary to cover each overdraft. You authorize us to charge your account and deposit such funds to your account. You understand that you will be liable for overdraft advances accessed by any authorized person on your checking account. If we approve, you may obtain advances under your account by writing pre-printed promotional checks that we supply to you. Your use of promotional checks will be shown as purchase advances on your monthly statement. We may not honor your promotional check if: your check is postdated; payment of promotional check would exceed your credit limit; a promotional check is signed by a person without authorized access to your account; the amount of the promotional check is less than the minimum required amount; your account has been terminated or suspended or any promotional checks have been reported lost or stolen. You may stop payment on a promotional check if you provide us with the exact information describing the check and providing us with adequate notice to act on the stop payment instruction. If you give us incorrect information, we will not be responsible for failing to stop payment of the promotional check and you will be responsible for repayment of the amount of the check. You understand there may be a charge for each stop payment order requested and any promotional check returned. Our liability for wrongful dishonor is limited to your actual damages; however, a dishonor for reasons stated above is not a wrongful dishonor.

3. CREDIT LINE. If your application is approved by us, 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. 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.

4. MONTHLY PAYMENT. We will mail you a statement every month if your Account has a balance. You agree that you will pay each month not less than the minimum monthly payment on or before the scheduled monthly due date. The minimum monthly payment will be 2.0% of your outstanding balance ("New Balance") or \$25.00, whichever is greater. If your outstanding balance is \$25.00 or less, you agree to pay the balance in full. You may pay in full for all your Account balances each month, or you may repay in monthly installments. We can accept late payments or partial payments, or checks, drafts or money orders marked "payment in full" without prejudice to our rights under this Agreement, which are hereby explicitly reserved. A credit posting from a merchant or reversal of fees do not constitute a minimum payment. The minimum monthly payment may be allocated at STCU's discretion to pay off lower rate balances, such as promotional offers, before higher rate balances, such as cash advances or purchases. Payments in excess of the minimum monthly payment will be allocated first to higher rate balances, as applicable. From time to time, we may allow you to skip your minimum monthly payment due. If you choose to skip that payment, **Interest Charges** will continue to accrue in accordance with this Agreement. Payments received at: STCU, PO Box 14429, Des Moines, IA 50306-3429 at or before 5:00 PM Central Time on any business day will be credited to your Account as of that date; payments received by mail at that address after 5:00 PM Central Time, on a weekend or federal holiday will be posted to your Account as of the next business day. Payment crediting to your Account may be delayed up to five days if your payment is received by mail at any other address or not accompanied by the remittance portion of your Account statement.

5. SECURITY INTEREST/PLEDGE OF SHARES. 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. You agree Collateral securing other business loans with STCU (except loans secured by real property) will also secure this Account. You also pledge all of your present and future shares and any earnings thereon as security for obligations under your account. You understand that if you default on your Account we may apply all that is pledged to your Account (IRA and Keogh accounts are excluded from the Pledge of Shares).

6. MONTHLY STATEMENTS. Each month, we will send you a statement showing new purchases, cash advances, balance transfers, payments, and credits made to your Account during the billing cycle, your Previous Balance, your "Total New Balance," any **Interest Charges**, 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 transactions 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.

7. INTEREST CHARGES. The total outstanding balance of purchases, balance transfers and cash advances in the Account on the closing date of a billing cycle, including any **Interest Charges** will be shown on the Monthly Statement for that billing cycle as the "New Balance."

(a) Cash/Overdraft Advances. An **Interest Charge** will be imposed on cash and overdraft advances from the advance posted to your account to the date paid. There is no time period within which to pay to avoid a periodic **Interest Charge** on cash and overdraft advances. In addition there is a cash advance fee (Interest Charge) of 3% of the amount of the advance (\$5 minimum).

(b) Balance Transfers. An **Interest Charge** will be imposed on the portion of balance transfers included in the New Balance that remains unpaid within 25 days after the closing date. This "grace period" allows

you to avoid an **Interest Charge** on balance transfers for a billing cycle. However, if you do not pay the New Balance for balance transfers within the grace period, your **Interest Charge** will accrue on any unpaid balance transfers from the date of the balance transfer. In addition there is a balance transfer fee (**Interest Charge**) of 3% of the amount of each advance (\$5 minimum).

(c) Purchases. An **Interest Charge** will be imposed on the portion of purchases included in the New Balance that remains unpaid within 25 days after the closing date. This "grace period" allows you to avoid an **Interest Charge** on purchases for a billing cycle. However, if you do not pay the New Balance for purchases within the grace period, your **Interest Charge** will accrue on any unpaid purchase transactions from the date of purchase.

8. CALCULATING INTEREST CHARGES.

(a) Average Daily Balance. The **Interest Charge** imposed on purchases, balance transfers and cash advances with respect to a Billing Cycle will be determined by multiplying the Average Daily Balance of purchases, balance transfers and cash advances by a Daily Periodic Rate. The Average Daily Balance for purchases, balance transfers and cash advances are calculated separately. We take the beginning balance of cash advances, balance transfers or purchases in your account each day then, in the sequence in which the amounts post to your account add any new cash advances, balance transfers and purchases (whichever are applicable) and subtract any payments or credits (and unpaid **Interest Charges** and late charges). This gives us the Daily Balance for that day. Then we add up all the Daily Balances of cash advances, balance transfers, and purchases for the billing cycle and divide the totals by the number of days in the billing cycle. This gives us the "Average Daily Balances" for purchases, balance transfers and cash advances. **Interest Charges** start to accrue on cash advances, balance transfers and purchases from the date the cash advance, balance transfers or purchase is posted to your Account, and your Account balance is reduced when STCU receives your payment or enters a credit. However, a portion of your balance that is the result of purchases and balance transfers has a different treatment if you pay that entire portion by at least twenty-five (25) days after we send your billing statement. An **Interest Charge** will be imposed on the portion of purchases and balance transfers included in the New Balance that remains unpaid within 25 days effective the opening date of the following billing cycle. Your cash advance and overdraft transfers balances have no grace period in which to avoid an **Interest Charge**.

(b) VARIABLE INTEREST RATE. Your Account has a variable rate feature and the Periodic Rate and corresponding Annual Percentage Rate (Interest Rate) may change each month with changes in the index. The total of the index plus the margin amount that we add is the Interest Rate. The Interest Rate includes only interest and no other costs. The Interest Rate is based on the value of an index and can change monthly effective the first day of the billing cycle. The index is the highest U.S. Prime Rate published in the Money Rates section of *The Wall Street Journal* on the third Tuesday of February, May, August, and November of each year "Prime Rate." If the Prime Rate changes, any new rate will be applied as of the first day of your billing cycle that begins in March, June, September, and December of each year. 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. STCU adds a margin to the index, based on your creditworthiness. The margin for purchases, cash advances and balance transfers will fall within a range based upon your creditworthiness:

Margin Range

Non-introductory Purchase APR: Prime Rate plus a margin of 6.74% to 16.74%

Non-introductory Balance Transfer APR: Prime Rate plus a margin of 6.74% to 16.74%

Cash Advance APR: Prime Rate plus a margin of 12.74% to 20.74%

The current Interest Rate that will apply to your Account will be shown on a separate disclosure at account opening.

The Credit Union may offer introductory and promotional Annual Percentage Rates from time to time. At the end of any introductory or promotional period, the standard Annual Percentage Rate applicable to your account will apply. The Annual Percentage Rate applicable to your account will be disclosed to you with your Card and shown on each monthly statement. The "Total **Interest Charge**" shown on your monthly statement consists of the periodic **Interest Charge** on purchases, the periodic **Interest Charge** on cash advances, and the periodic **Interest Charge** on balance transfers.

9. Fees and Charges. We may impose fees and charges on your Account as set forth below. STCU reserves the right to assess other fees in the future. You will be notified of any new fees as required by law.

(a) Annual Fee. For the STCU Business Premier Rewards World Mastercard there is an Annual Fee of \$75 for the first five (5) cards on the account, \$15 for each additional card added. There is no Annual Fee for the STCU Business Rewards World Mastercard.

(b) Late Fee. You agree to pay a late fee of \$25.00 for each minimum payment not paid by payment due date.

(c) Stop Payment Fee. There is a \$25.00 fee for any stop payment order you order on a convenience check drawn on your account and a \$5.00 fee for any recurring stop payment request.

(d) Returned Payment Fee. A \$25.00 fee will be assessed against your Account when a check submitted for payment on the Account is returned, regardless of the reason.

(e) Returned Item Fee. A \$25.00 fee will be assessed against your Account for each convenience check returned, regardless of the reason.

(f) Research and Copying Fees. We may charge you \$25.00 per hour (minimum \$5.00) of research required if you request copies of any items or documents related to your Account. There is a \$2.00 charge for each statement copy you request and \$12.00 per copy for any transaction documents you request. If the request relates to a billing error and we determine that a billing error was made, any copying charges will be refunded.

(g) PIN Change/Replacement Fee. A \$2.00 charge may be assessed against your Account for each PIN change/replacement you request.

(h) Card Replacement Delivery Fee. You agree to pay a \$5.00 fee for delivery of your replacement card. Rush delivery is an additional charge.

(i) Foreign Transaction Fees. 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 Mastercard International, Inc., is a rate selected by Mastercard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Mastercard itself receives or the government-mandated rate in effect for the applicable central processing date. In addition, for STCU Business Rewards World Mastercard cardholders, you will be charged an International Transaction Fee of 2% of the transaction amount for any card transaction made in a foreign country. This fee is waived for our STCU Business Premier Rewards World Mastercard cardholders.

(j) ATM Surcharge 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.

10. CONDITIONS OF CARD USE. The use of your Card and Account are subject to the following conditions:

(a) Authorized Card Use. If you authorize anyone to use your Card in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and you return all cards issued to you. If you fail to maintain the security of the Card and the Credit Union suffers a loss, we may terminate your Card and account

services immediately. 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. You understand and agree that unauthorized use means the use of the card by someone other than you, your officers, authorized signers, employees or agents. If an employee uses the Card in an unauthorized manner, there is no limit on the potential liability for such use.

(b) 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.

(c) 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 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.

(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.

(e) Personal Identification Number (PIN). You will be required to select a Personal Identification Number ("PIN") for use with your Card in accessing your line of credit at automatic teller machines ("ATM's") and for certain purchase transactions, 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. If you authorize anyone to use your PIN in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying STCU and changing your PIN immediately. You are responsible for any transactions made by such person until you notify us that transaction and access by that person are no longer authorized and your PIN is changed. If you fail to maintain or change the security of your PIN and STCU suffers a loss, we may terminate your card and account services immediately.

11. LOSS OR THEFT OF CARD. You agree to notify us immediately, orally or in writing, of the loss, theft or unauthorized use of your Credit Card by telephone at 509.326.1954 in Washington, 208.619.4000 in Idaho, or toll-free 800.858.3750, or by mail at STCU, PO Box 1954, Spokane, WA 99210-1954. To the extent there are less than ten credit cards issued to you for business use by you, your offices, employees or authorized agents, you may not be liable for losses exceeding \$50.00 related to credit transactions by unauthorized parties, before you notify us of your lost or stolen credit card after discovery. You may not be liable for an unauthorized transaction, as long as you have exercised reasonable care in safeguarding the Card from risk of loss or theft, and upon becoming aware, you promptly report the loss or theft to us, otherwise your liability for unauthorized credit card transactions shall not exceed \$50. If we have issued ten or more credit cards to you, you agree there is no limit on the losses related to any unauthorized use.

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 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 applicable 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 fee and costs may be added to your Account balance and will bear interest at the Interest Rate in effect at that time. 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.

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/or a new credit application upon request. We may investigate your credit directly or through a credit reporting agency.

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

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. We reserve the right to amend the terms of this Agreement at any time as permitted by and subject to any limitations and notice requirements of applicable law.

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.