

CREDIT AND SECURITY AGREEMENT

PERSONAL LINE OF CREDIT AND CREDIT CARD AGREEMENT, DISCLOSURES AND BILLING RIGHTS STATEMENT

Effective September 2016

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Keep This Agreement For Your Records

I. CREDIT AND SECURITY AGREEMENT

PERSONAL LINE OF CREDIT AND CREDIT CARD

A. This Credit and Security Agreement (“Agreement”), which includes Truth in Lending Act and Fair Credit Billing Disclosures, governs your consumer loan plan (“Plan”) with Boeing Employees’ Credit Union (“BECU”). Your Plan involves open-end personal line of credit and credit card extensions of credit for personal, family, or household purposes. In this Agreement the words “you,” and “your” mean any person who signs in acceptance of the Plan and the words “we,” “us,” and “our” mean BECU. When you sign as a loan applicant, you agree, jointly and severally with any other person who signs as a loan applicant (thus establishing a “Joint Plan”), to be bound by all the terms and conditions set out in this Credit and Security Agreement, as amended from time to time, in any credit voucher and in any disclosures or statements of terms and conditions accompanying any access devices given with any future credit advances, which shall collectively govern your Plan and are incorporated herein by reference. While you may not have requested or been approved for a particular advance or device under your Plan, you agree that if at any time in the future you request or are approved for any such credit advance or device, your relationship with BECU for that account will be governed by these agreements.

1. How the Plan Works. The Plan is an open-end credit plan, including either or both a personal line of credit or credit card. We contemplate that, from time to time, you will use your Plan to borrow money from us (“credit advance”). To borrow under the Plan you must activate each of the Plan’s credit accounts individually. You may do this by submitting a credit request as explained below. If your request is approved, we will furnish you with a credit voucher providing information about your credit limit, annual percentage rate, any other applicable fees or charges, and any additional terms and conditions. **In this Agreement, the capitalized word “Credit Voucher” means the document titled “Credit Voucher and Opening Disclosures” for a personal line of credit loan (“Line of Credit”) or “BECU VISA Credit Voucher and Opening Disclosures” for a Visa credit card (“Card”).**

2. Plan Accounts. The BECU Lending Rates and Related Disclosures (the “Disclosures”) include important information about the credit extensions and advances we offer (called “accounts” or “loans”) and includes the range of rates that may be imposed under the Plan. Certain account transactions under the Plan, such as line of credit advances or credit card transactions, are also subject to additional terms described later in this Agreement that may vary from the general Plan terms set out below. **In this Agreement, the capitalized word “Loans” means extensions of credit under your Line of Credit and/or Card.**

3. Account Establishment and Access. You may submit a credit request in any manner authorized by us. When you sign as a loan applicant on BECU’s Master Credit Application, BECU will establish a Plan under which you may, at your option, request to establish personal line of credit and/or credit card accounts. When you have multiple active Plans (for example, a Joint Plan with one co-applicant and another Joint Plan with a different co-applicant) and you make a credit request, it is your responsibility to inform us under which of these Plans to establish your account. From the date of the Plan application, we may require that you update the information you submitted to us when you established your Plan in order for us to evaluate your credit request. If you already have a Line of Credit and you request and qualify for a Credit Card, or

if you already have a Credit Card and you request and qualify for a Line of Credit, we will establish a new account under your Plan. We are not required to establish an account under the Plan when you submit a credit request, and we may also refuse an advance request at any time.

4. Joint Plans. Each time you submit a credit application for another personal line of credit and/or credit card with a different co-applicant, you request that another Joint Plan be established for you. You understand and agree that while a Joint Plan is in effect, you and the co-applicant of the Joint Plan: (a) has each authorized the other to individually request, authorize, or receive credit advances; (b) has each agreed to be jointly and severally liable for repayment of all amounts owed and for any loans obtained; and (c) has each agreed to all of the loan terms and conditions, even if you did not specifically authorize or request the credit advance or receive any benefit from it. If any one of you does not wish any future loans under the Plan or is unwilling to be personally liable for them, any one of you must write to BECU to terminate the Plan and the termination will be effective as to all of you.

5. Summary of Joint Plan Consequences. After credit approval, each of your joint applicants shall have the right to use any account under a Joint Plan to the full extent of any credit limit set by BECU for the Joint Plan, and you will be liable for all amounts of credit extended under this account to all of your joint applicants.

6. Credit Limit. If we establish a Line of Credit and/or Card account in response to your credit request, we also will establish a credit limit on this account. You agree not to attempt to obtain more credit than the amount of your credit limit. If you temporarily exceed your credit limit, you understand such credit does not increase your credit limit and you agree to pay us that excess amount and applicable finance charges, immediately. We can increase or decrease your loan credit limit at our discretion. We will notify you in writing on a Credit Voucher, on your statement, or by separate notice if the amount of your credit limit goes up or down. We may reduce your credit limit, suspend your credit privileges, close your account or Plan or otherwise terminate your ability to use your Plan. We may do this at any time and for any reason, subject to applicable law. Your obligations under this Agreement continue even after we have done this. You may cancel your credit limits established for applicable loans upon written request to BECU. If your account is suspended, you must immediately return any authorized access devices, including credit cards. Any use of an account, access device or service after suspension will be considered fraudulent.

7. Promise to Pay. You promise to pay BECU the total of all credit advances on each account (including any credit advances requested by any co-borrower or by any authorized user of a credit card), finance charges, and other amounts set forth in this Agreement and any Credit Voucher on the payment terms set forth below. This includes any requests for payments to a third party or for payment or deposit to your savings or checking account. Payments must be made in U.S. Dollars.

a. Payment Methods. You promise to make your periodic payment for Line of Credit accounts under this Agreement by automatic transfer from shares or deposits, and for Card accounts by such automatic transfer or by direct deposit, personal check, draft, electronic funds transfer, or wire transfer.

If you pay by automatic transfer, you understand that it is your responsibility to be sure that there are adequate funds in your account to satisfy the payment on the specified date or your loan will become past due. You must make your scheduled payments on loans under this Agreement regardless of the payment method you select to make payments.

b. Minimum Payment. You agree that, on or before the due date indicated on your periodic statement, you will pay at least the minimum payment that is required under this Agreement and is specified on the periodic statement. The method of determining this amount is set forth in Section 2.d of Part B below for a Line of Credit and Section 12.b of Part C below for a Credit Card.

c. Pre-payment and Irregular Payments. You may pay all or part of your loan(s) early, at any time, without paying any penalty. However, payments in excess of your minimum payment will not relieve you of your obligation to make your subsequent minimum payments on the dates when due. Instead of advancing your payment due date, a prepayment or early payment will reduce the principal amounts owing on your account. BECU reserves the right to refuse partial payments. We may accept late payments, partial payments and payments marked “payment in full” that are not sent to the following address without losing our rights under this Agreement.

ALL COMMUNICATIONS CONCERNING ANY DISPUTED DEBTS, INCLUDING ANY CHECK OR INSTRUMENT TENDERED AS FULL SATISFACTION OF A DEBT (INCLUDING LOANS), SHALL BE SENT ONLY TO THE ATTENTION OF: Risk Management Representative – Account Dispute, P.O. Box 97050, Seattle, WA 98124-9750.

8. Periodic Statements. If your account has an outstanding debit or credit balance in excess of \$1.00 at the end of a billing cycle/statement period, we will send you a statement to the address shown in our records reflecting balances and activity in that account.

9. Security Agreement

a. BECU Lien. You agree BECU has a lien on all your shares, deposits, and dividends in all joint and individual accounts held by you, now and in the future, to the extent of your obligations to BECU, except as provided under the Military Lending Act for accounts of a covered member of the armed forces or a dependent of such a member. You agree that BECU’s lien is independent of any security agreement and BECU may enforce its lien in any manner, at any time allowed by applicable law. You agree that you own any shares pledged and that there are no liens against them other than ours. BECU may, at its sole option, allow you to withdraw a portion of your shares or deposits without affecting its security interest.

b. Pledge of Shares, Deposit Accounts and Certificates of Deposit. You pledge all your BECU shares, deposit accounts, and certificates of deposit in which you have an interest, now and in the future, as security for all credit advances made under this Agreement. However, this pledge will not apply to retirement or other accounts to the extent that applicable law precludes the pledge of such accounts, to deposit, savings, or

other financial accounts to the extent that the Military Lending Act precludes the pledge of such accounts, or to loans secured by real property or a dwelling. You agree that we need not retain or possess any certificate or evidence of account to enforce our security interest. You understand that if you default on your Plan, BECU may apply all that is pledged to repayment of your loan(s).

By completing and signing the Plan application, you signify your specific intent to pledge to us and to grant us a security interest in all your individual and joint BECU share and deposit accounts you have with us, now or in the future (excluding retirement or other accounts to the extent that applicable law precludes the pledge of such accounts, and deposit, savings, or other financial accounts to the extent that the Military Lending Act precludes taking a security interest in such accounts), to secure your BECU loans under the Plan (including the credit card account). You authorize us, without further notice to you, to apply the balances in these account(s) to pay any amounts due under the Plan if you should default.

10. Default. You will be in default under this Agreement if any of the following happens on any account:

- a. you do not make a payment as required by this Agreement on or before the payment due date;
- b. you exceed your credit limit without our permission;
- c. you become subject to bankruptcy, incompetency or insolvency proceedings or you die;
- d. if we believe (in our sole discretion, subject to applicable law) that there has been an adverse change in your financial condition or any time we reasonably deem ourselves insecure;
- e. you make any untrue statements or omissions or provide false signatures on any application or financial statement furnished to BECU or fail to provide us financial information we request;
- f. your payment is dishonored by your financial institution for any reason;
- g. you violate or fail to comply with any term of this Agreement or any other agreement you have with BECU;
- h. you no longer qualify for BECU membership.

11. Upon or Following Default. Upon the occurrence of any event of default under this Agreement, we have the right, subject to applicable law, to terminate or suspend your credit privileges under this Agreement, to require repayment and to change the terms of your account and this Agreement. In requiring repayment, we may demand that you immediately pay the entire unpaid balance of all your loans under your Plan, increase the minimum payments, and/or may apply any loan account payment to any outstanding account balance under the Plan. BECU may start a collection action in the county in which BECU is located or where you reside if you live outside of Washington. **Default on any loan, account or other obligation that you have with us, including loans which are not part of the Plan, will constitute default under this Agreement.**

12. Reformation of Fees, Charges and Other Provisions. If any fee or charge, or any portion of any fee or charge, including but not limited to a finance charge or method of computing a finance charge,

or any other provision of this Agreement, would but for this sentence be unlawful, the language of this Agreement shall be automatically reformed to eliminate any excessive or unlawful portion of such fee or charge and any such unlawful provision. In no event shall the fees charged under this agreement exceed the maximum allowed under applicable state or federal law, nor shall any provision in this Agreement be applied where it would violate any law, including but not limited to the Military Lending Act. In its sole discretion, BECU may charge and collect a lesser amount than that specified in this Agreement, or forego any other rights under this Agreement. Any waiver of any provision of this Agreement shall not be deemed a waiver of such rights in the future.

13. Voluntary Payment Protection. We may offer Voluntary Payment Protection to you. Voluntary Payment Protection is not necessary to obtain credit. If you purchase Voluntary Payment Protection from us, you authorize us to add the fees monthly to your loan balance and charge you interest on the entire balance. At our option we may change your payment or the period of time necessary to repay the loan balance. The rate used to determine the fees may change in the future. If the rate changes, we will provide any notices required by applicable law.

14. Amendments

a. Plan Termination. You or any co-applicant may terminate your Plan in writing at any time. BECU may also terminate your entire Plan or any part of your Plan at any time. All other provisions of this Agreement shall otherwise remain in full force and effect until you pay all sums due us. You understand that terminating your Plan will not relieve you of your obligations on any outstanding loan balances at the time of termination.

b. Plan Changes. You agree that BECU may, at any time, change any part of this Agreement (including but not limited to adding new provisions, deleting existing ones, or changing any other terms and conditions of this agreement relating to your Plan or account), provided we have given you notice in advance of the change, if required by law. Any notice of change in terms required by law will be sent to the last address appearing on the records of BECU, unless you notify us of the change in your address within a reasonable time prior to the notice being sent.

15. Attorneys' Fees, Costs and Enforcement. You agree to pay BECU's internal and external costs, collection and other expenses such as expert witnesses, debt collectors, court costs, and reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees in any arbitration or mediation, on appeal, in any bankruptcy (or state receivership or other insolvency proceeding) and in any forfeiture or other proceeding, except to the extent that a liability for such costs or expenses is limited or prohibited by an applicable state statute. A Collection Charge will be imposed if we must telephone you, write to you, or make a personal visit due to any default on your part. All of these costs and expenses may be added to your present debt and a finance charge may be imposed on them at the highest rate applied to any of your credit advances. The security provisions in Section 9 of this Part A of the Agreement also secure payment of all these amounts. BECU may delay enforcing any right under this Agreement without losing that right or any other right. In the event you die, we can collect any

amounts outstanding under your Plan as immediately owed against your estate or against anyone who obtained an advance under your Plan. If any provisions of this Agreement or related agreement are deemed unenforceable or invalid, the remaining provisions will remain in full force and effect.

16. Assignment. We have the right to assign and transfer our rights under this Agreement and any amounts you owe to us. The term “us” shall be deemed to include each and every immediate and successive assignee. You do not have the right to assign or transfer any of your rights, duties or obligations under this Agreement.

17. Notices. All notices and statements will be sent to the last address appearing on BECU records. You agree to advise us promptly if you change your mailing address. We can accept address corrections received from the U.S. Postal Service.

18. Credit Information/Financial Statements. You authorize us to release information to others regarding the status and history of your Plan. You agree to provide us upon request at any time with a current financial statement or updated credit information requested in our sole discretion. You agree we may obtain credit reports, employment or investigative inquiries on you at any time, at our sole option, for any reason, including but not limited to determining your eligibility for other products and services or determining whether there has been an adverse change in your financial condition. If you ask, we will tell you whether or not we requested a credit report and, if we did, we will provide you with the name and address of the consumer reporting agency that furnished the report.

19. Governing Law. Our approval of this Agreement and of any credit extension or advance under this Agreement occurs in the state of Washington. This Agreement shall be governed by the Federal laws and the laws of the state of Washington as they each apply, except to the extent that, notwithstanding federal law, 12 U.S.C. 1785(g)(1), an applicable state statute invalidates this choice of Washington law. In accepting the terms of this contract, you agree that venue for any action brought by you or brought by us to enforce the terms of the agreement is properly located in King County, Seattle, Washington, unless an applicable state statute invalidates such a choice of venue.

B. ADDITIONAL TERMS APPLICABLE TO PERSONAL LINES OF CREDIT

This section contains additional terms and conditions pertaining to the overdraft protection personal line of credit account (“Line of Credit”). The terms and conditions in this section are in addition to and modify the terms and conditions of the Plan with respect to Lines of Credit. All other attributes, terms and conditions of the Plan, including but not limited to the security interest granted under Section 8 of Part A of this Agreement, are not modified by this section and will also govern your Line of Credit. In the event of an inconsistency between Part A and this Part B, the terms of this Part B shall prevail.

1. Joint Accounts. You understand that any joint account holder on your deposit account with checking account features, or any person authorized to use an access device for this account may access your Line of Credit and you and they agree to be jointly and severally liable for such transactions.

2. Promise to Pay

a. Responsibility. By using your account to engage in transactions after we furnish a Credit Voucher to you, you agree to the credit limit, annual percentage rate, any other applicable fees and charges, and any terms and conditions set forth in the Credit Voucher, which will be incorporated into and become part of this Agreement and will govern your Plan. Any person or entity that has accepted, signed, used, or authorized the use of a Line of Credit under the Plan, regardless of whether this person is named in the application or otherwise, agrees to be and is bound by the terms of this Agreement.

b. Payment Methods. Your required minimum payment will be made by automatic transfer from your savings or checking account at BECU. At any time, you may pay additional amounts by such automatic transfer or by personal check, draft, electronic funds transfer, or wire transfer.

c. Crediting Payments if Not Made by Automatic Transfer. Payments received at BECU, P.O. Box 97050, Seattle, WA 98124-9750 at or before 5:00 PM Pacific 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 Pacific Time, on a weekend or federal holiday will be posted to your account as of the next business day. Crediting to your account may be delayed up to five days if payment is received by mail at any other address or if mailed payment is not accompanied by any remittance slip or statement we provide..

d. Payment - Minimum Amount and Allocation. The Line of Credit minimum payment amount will be the greater of \$25 or 2% of the outstanding balance on your account at the end of the billing cycle statement period which begins on the second day of the month and ends on the first day of the following month ("Ending Balance"). The Ending Balance does not include late payment fees but includes voluntary payment protection costs, returned payment fees and the cost of collection and attorneys due to your default. When credit availability is suspended or terminated, the minimum payment amount will be calculated for the remaining balance at 2% of the outstanding balance at the time of suspension or termination, and will be fixed at that amount until the balance is paid in full. Payments will be applied first to late payment fees and other fees and charges (other than finance charges), then to accrued finance charges, and the remainder, if any, to the balance, unless otherwise agreed to by BECU or required by applicable law.

3. Finance Charges

a. Penalty Rate. If, on this account or on any account that you have with us, you make any payment that is returned or your total Minimum Periodic Payment is not paid within 29 days of the payment due date (within 27 days during the February credit reporting period or 28 days for February reporting period in leap years), twice within any 12 month period, the **ANNUAL PERCENTAGE RATE (APR)** will be increased to the lesser of **19.9%** or the highest rate allowed by law, unless this increase in APR as a result of default is invalidated by a state statute that is applicable notwithstanding federal law, 12 U.S.C. 1785(g)(1). The Daily Periodic Rate (DPR) in this event

shall be the APR divided by 365 (366 in a leap year). If your DPR (and corresponding APR) is increased as described, it may be subsequently reduced at our discretion after a minimum of twelve months at which time it is determined that no payment for any amounts owed BECU has been late during the 12-month period, and your other accounts with BECU are in good standing (current and non-negative). Rate changes shall be effective beginning on the first day on the next Billing Cycle following the late payment or determination. A loan whose rate is reduced will be subject to subsequent increases should future payment be missed in a manner described within this section. If the DPR and corresponding APR increase, the **FINANCE CHARGE** will increase and your minimum payment may be higher.

b. Timing of Finance Charges and Payments. You will be obligated to pay a finance charge that will begin to accrue as of the date on which any credit advance is made. There is no grace period in which you may avoid incurring a finance charge by paying off the balance. Credit advances may be directly deposited to one of your deposit accounts and will be subject to a finance charge from the date of deposit even if you do not withdraw the money immediately. Credit advances and payments made by automatic transfer will be posted to your account when made. When you make a payment during the period on which your monthly statement is based, then this statement will specify the amount of interest that you paid.

c. How to Determine Unpaid Daily Balance and Finance Charges. The unpaid daily principal balance is the amount of outstanding indebtedness that remains unpaid at the close of each business day after all transactions for the day are posted to your Line of Credit. Transactions are posted by subtracting the amount of any payments or credits (thus decreasing the balance) and adding the amount of any new advances plus the cost of Voluntary Payment Protection, if any (thus increasing the balance). The daily principal balance will include any unpaid fees or charges including finance charges, unless otherwise foregone by BECU or prohibited by applicable law. We multiply this balance by the applicable daily periodic rate to calculate the daily finance charge, then add this charge to the daily finance charges for the other days in the period on which your monthly statement is based. The total finance charge is the sum of the daily finance charges during this period.

d. Determination of DPR and Corresponding APR. The DPR and APR for which you initially qualify now or in the future may depend on your credit qualifications, income, credit or employment history. The DPR and corresponding APR for each account under the Plan will be set forth in the Credit Voucher that is sent to you. Your rate on any account is subject to change with additional advances, based on your credit history. BECU may change the rates it offers from time to time and may review your credit qualifications periodically and adjust your DPR and corresponding APR based on changes in your credit qualifications. If you receive your initial Credit Voucher after the time of the initial advance on your account, then you may cancel the Line of Credit account without obligation if, within four business days of the date of your initial Credit Voucher, you provide BECU with written notice and return all of the funds that BECU initially advanced to you. If you use or retain

the account funds after that date, you waive any right to cancel this Agreement.

4. Other Account Fees and Charges

a. A Late Payment Fee in an amount equal to \$25.00 or 5% of the minimum payment, whichever is greater, will be imposed on payments that are not paid or are paid ten (10) or more calendar days after the payment due date, except to the extent that a Late Payment Fee is allowed only in a lesser amount or after a longer number of calendar days according to a state statute that is applicable notwithstanding federal law, 12 U.S.C. 1785(g)(1).

b. A Returned Payment Fee in an amount equal to \$25.00 or the amount of the returned payment, whichever is smaller, will be imposed if any check, instrument or other item given as payment on your Plan is uncollectible or is dishonored for any reason. Unless otherwise required by law, we are not obligated to attempt to collect any check more than once, except to the extent that a Returned Payment Fee is allowed only in a lesser amount according to a state statute that is applicable notwithstanding federal law.

c. A Collection Charge will be imposed if we must telephone you, write to you, or make a personal visit due to any default on your part.

5. Advances and Access

a. Limitations on Credit Advances. You will receive a Credit Voucher showing the amount of the credit limit on your Line of Credit, which is the maximum amount you may draw upon without getting our specific approval for additional advances. You may access credit on your Line of Credit, repay any portion of the amount borrowed, and reborrow any portion up to your credit limit from time to time without limitation.

b. Overdraft Access. You may access your Line of Credit by writing drafts, and overdrawing your checking account or your deposit account with checking account features with us, as specifically designated by you for overdraft protection. We may, at our sole discretion, access this account on your behalf if you have scheduled automatic payments for which there are not sufficient collected funds in your checking account or your deposit account with checking account features. We will not do this if the advance to cover the scheduled payment would cause your credit limit to be exceeded. We will treat the overdraft as a request for an advance on your Line of Credit and we will allow such access subject to the terms of this Agreement. You understand that any owner on your checking account or your deposit account with checking account features may obligate you to overdraft advances. Line of Credit overdraft funds transfers will be made in \$100.00 increments (or the unused portion of the available credit limit if less than \$100.00) and will be transferred to your checking account or your deposit account with checking account features. You agree not to let the overdrawn balance exceed your approved credit limit. If you fail to meet any conditions of your checking account or your deposit account with checking account features, we may cancel your Line of Credit immediately without notice. In any event, you hold us harmless from any and all liability which

might arise if the transfer does not occur. Transfers from deposit accounts will be governed by the Membership and Account Agreement. Transfers from a Line of Credit will be governed by this Agreement.

c. Suspension of Line. Your ability to draw upon the Line of Credit will be suspended immediately if: (1) the account specifically designated for overdraft protection by you is closed for any reason; (2) your automatic payment transfer to your Line of Credit is cancelled for any reason; or (3) we determine that no Line of Credit advances have been made within ninety (90) days from the account establishment or within one (1) year from the last advance. You may request that your Line of Credit be reinstated, upon re-enrolling for automatic payment transfer and upon specifically designating a deposit account with checking account features for overdraft protection.

6. Change in Terms (including Finance Charges). You agree that we can change the terms of the Line of Credit (including but not limited to any of the examples of changes specified in Section 14.b of Part A of this Agreement) at any time upon proper advance notice to you, where required by law. Changes may apply to both new and outstanding balances.

C. ADDITIONAL TERMS APPLICABLE TO CREDIT CARDS

This section contains additional terms and conditions pertaining to the credit card account of your Plan (“Card”). References to “Card” below relate to the account associated with the credit card and not only to transactions conducted through use of the physical credit card, other credit instrument or device which we supply to you, itself. The terms and conditions in this section are in addition to and modify the terms and conditions of the Plan. All other attributes, terms and conditions of the Plan, including but not limited to the security interest granted under Section 9 of Part A of this Agreement, are not modified by this section and will continue to govern your Card account. In the event of an inconsistency between Part A and this Part C, the terms of this Part C shall prevail.

1. Responsibility and Applicability of Terms. Any person or entity that has accepted, signed, used, or authorized the use of a Card under the Plan agrees to be and is bound by the terms of this Agreement. In this Agreement, the word “Cardholder” means the applicant and co-applicant(s) for the Plan associated with the Card, and each authorized user of the Card (“User”), whether named in an application as a User, or otherwise. In this Part C of the Agreement, “you” means the Cardholder(s) associated with a particular Card account. The following additional definitions apply in this Part C and on your monthly statement.

New Balance: The sum of all of the unpaid Purchases, Cash Advances, Balance Transfers, finance charges, late payment fees, and any other fees or charges outstanding on the closing date.

Previous Balance: The sum of all unpaid Purchases, Cash Advances, Balance Transfers, finance charges, late payment fees, and any other fees and charges at the beginning of the billing cycle (it is the same amount that was shown as “New Balance” on the closing date on the statement for the preceding billing cycle).

Purchases: Transactions involving advances other than Balance Transfers and Cash Advances. Purchases may include Foreign Transactions, account charges, and adjustments associated with any transaction.

2. Liability. You will be liable for all credit obtained under your Card by any Cardholder. If there is more than one Cardholder, then each will be liable, jointly and severally, for all credit obtained through use of the Card. If two or more persons are responsible to pay any outstanding balance, we may refuse to release any of them from liability until all of the unexpired Cards issued pursuant to the Plan have been returned to us and the balance is paid in full. If you request us to issue a Card on your account to another person, or if you allow any person to have access to your Card or account number with your permission to make a charge, you will be liable for all charges made by that person, including charges for any Cash Advances or any Purchases from merchants or in amounts that you may not have intended the person to make. In addition, you will owe us finance charges and other fees and charges on these transactions, to the same extent as if you made them yourself.

3. Purchases and Cash Advances. Any Cardholder can use the Card for Purchases and Cash Advances. You may not use the Card for any illegal or unlawful transaction and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness.

4. Balance Transfers. You may use your Card to transfer balances from other accounts to your Card with us (“Balance Transfer”). You may request a Balance Transfer by completing the balance transfer portion of the credit application, by completing and returning to us one of the balance transfer requests forms we may send you from time to time, or by writing or telephoning us. Interest begins to accrue as of the date a balance transfer is posted to your account. You agree that you will not make Balance Transfers payable to cash, to you, to any individual, to a deposit account, or to any BECU loan account and, if you do make any such Balance Transfer, BECU reserves the right to convert the transaction to a Cash Advance.

5. Daily Periodic Rate (DPR) and Annual Percentage Rate (APR). The DPR and corresponding APR used to calculate the **FINANCE CHARGE** for your Card will be stated in a Credit Voucher provided to you when you open your credit card account. (That document is a part of this Agreement.) After you open your account, rate information will be provided in periodic statements that we send to you.

a. Variable Rates. A variable DPR and APR will be used to calculate the interest charge applicable to your account, after the expiration of any applicable introductory rate period. The APR will be based on the value of an index. The index will be the highest U.S. Prime Rate published in the Money Rates section of The Wall Street Journal on the first business day of each month. This Prime Rate is a reference index and is not the lowest interest rate available. If The Wall Street Journal does not publish the U.S. Prime Rate, or if it changes the definition of the U.S. Prime Rate, we may substitute another index, subject to applicable law. To determine the APR that will apply to your credit card, we will add a margin to the value of the index. The current range of APRs that can apply is disclosed in the Disclosures. The margin and the corresponding APR applicable to your account will be stated in a Credit Voucher provided to

you when you open your account, and may depend on your credit qualifications, income, credit or employment history. Your APR can change on the first business day of the billing cycle each month, based on the index rate in effect as of the first day of the prior calendar month. Increases or decreases in the U.S. Prime Rate will cause increases or decreases in the APR, resulting in increases or decreases in the interest charge, which in turn will affect the number of your regularly scheduled minimum payments. There is no limit on the amount by which this variable APR can change in any month.

b. Introductory or Promotional Rate. If you have not previously received a BECU credit card and you establish a BECU credit card account, you may be eligible for an introductory rate or promotional rate. Any introductory rate, and the period for which it will be in effect, will be stated on the Credit Voucher provided to you when you open your credit card account. Any promotional rate, and the period for which it will be in effect, will be stated in a notice provided to you at the beginning of the promotional rate period. The introductory rate or promotional rate may be extended by BECU in its discretion.

6. Finance Charges

a. Purchases. A finance charge will be imposed on the portion of purchases that are included in the New Balance and remain unpaid by the payment due date on your monthly statement, and on purchases made during the following billing cycle.

b. Cash Advances. Finance charges will be imposed on the aggregate balance including all Cash Advances as described in Section 7 of this part C (below), starting on the date of the Cash Advance and lasting until paid in full.

c. Balance Transfers. Finance charges will be imposed on the aggregate balance including all Balance Transfers as described in Section 7 of this part C (below), starting on the date of the Balance Transfer and lasting until paid in full.

7. How to Determine Finance Charges:

a. The types of **FINANCE CHARGES** that may be assessed on your account are daily periodic rate finance charges and transaction finance charges. Your total **FINANCE CHARGES** each billing cycle is the sum of each type of finance charge.

b. Calculation of Finance Charge. All finance charges for Purchases, Cash Advances and Balance Transfers are added together to calculate the annual percentage rate for each billing cycle.

(i) Calculation of Finance Charges for Cash Advances and Balance Transfers. A Finance Charge on a Cash Advance or Balance Transfer will be imposed from the date the Cash Advance or Balance Transfer is posted to your account until paid in full. There is no grace period in which you may avoid incurring a finance charge by paying off the balance resulting from a Cash Advance or Balance Transfer. We calculate the Finance Charge by multiplying the Average Daily Balance by the number of days in the billing cycle and then multiplying by the Daily Periodic Rate. To get the Average Daily Balance

attributable to Cash Advances and Balance Transfers, we take the beginning balance each day, add any new Cash Advances and Balance Transfers, and subtract any payments, credits posted to your account and unpaid Finance Charges and other charges. 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 to determine the Average Daily Balance.

(ii) Calculation of Finance Charges for Purchases. To avoid incurring Finance Charges on the balance of the Purchases reflected on the statement, you must pay the entire New Balance shown on your statement on or before the Payment Due Date shown on your statement each month. If you do not pay the entire New Balance on or before the Payment Due Date each month, the unpaid portion of the New Balance will accrue interest beginning on the first day of the billing cycle in which the payment is due. We calculate the Finance Charge by multiplying the Average Daily Balance by the number of days in the billing cycle and then multiplying by the Daily Periodic Rate. We calculate the Average Daily Balance of Purchases by taking the beginning balance of your account each day that is attributable to Purchases, add any new Purchases as of the date those charges are posted to your account and subtract any additional payments, credits, and unpaid Finance Charges and fees or other charges. 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. If you paid the entire New Balance shown on the previous monthly statement by the Payment Due Date shown on that statement, the portion of the New Balance shown on the current statement that is paid by the Payment Due Date shown on that statement will be excluded from the calculation of the balance each day.

8. Other Account Fees and Charges

a. A Late Payment Fee in an amount equal to \$25.00 or the amount of the late payment, whichever is smaller, will be imposed on minimum payments not paid by the payment due date, except to the extent that a Late Payment Fee only in a lesser amount or on a later date is allowed by a state statute that is applicable notwithstanding federal law, 12 U.S.C. 1785(g)(1).

b. A Returned Payment Fee in an amount equal to \$25.00 or the amount of the returned payment, whichever is smaller, will be imposed if any check, instrument or other item given as payment on your Card is uncollectible or is dishonored for any reason, except to the extent that a Returned Payment Fee is allowed only in a lesser amount according to a state statute that is applicable notwithstanding federal law. Unless otherwise required by law, we do not have to attempt to collect any check more than once.

c. A Card Replacement Fee of \$5.00 may be assessed for each Card lost, stolen or destroyed.

d. A Card Recovery Assessment will be imposed and may be added to your balance if: 1) you use your Card after the Card has been cancelled, and 2) we must pay a recovery fee to a third party who obtains the Card for us.

e. A Copy Request Charge of \$3.00 may be imposed for copies of each document that you request in connection with this account, other than those provided in response to a billing error notice under the Fair Credit Billing Act.

f. A Collection Charge will be charged if it is necessary to telephone you, write to you, or hire a third party to make a personal visit due to any default on your part. If a personal visit is necessary, the amount charged will be the larger of \$50.00 or the cost of the third party's services.

g. A Stop Payment Fee charge of \$5.00 may be imposed for each stop payment on a Convenience Check.

9. Foreign Transactions and Foreign Exchange. If you use your Card for an International Transaction, the exchange rate between the transaction currency and the billing currency used for processing International Transactions will be a rate selected by Visa from the 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 currency conversion rate on the day before the transaction processing date may differ from the rate in effect at the time of the transaction or on the date the transaction is posted on your account. You agree to accept the converted amount in U.S. dollars.

10. Change in Terms. You agree that we can change the terms of this Agreement (including but not limited to any of the examples of changes specified in Section 14.b of Part A of this Agreement) at any time upon proper advance notice to you, where required by law. We consider that you have accepted changes if you keep or use the card after the notice. The new terms, including an increase or decrease in the finance charges, shall be effective as to any subsequent credit extended on and after the effective date of the change. New terms other than an increase in the finance charge shall be effective also as to any unpaid balance outstanding as of the effective date of the change.

11. Security Interest. In addition to the security interest granted under Section 9 of Part A of this Agreement and included in the Plan, one or more of the following is applicable as security for amounts outstanding from time to time in connection with the Card:

a. Deposit Account. If you are issued a secured Card, you have signed or will be required to sign a separate security agreement pledging a specific, non-withdrawable portion of your shares and/or deposits in BECU to secure your Card. The amount of the security for such a Card is the amount of your credit limit and you may not have any access to or control of that amount. Shares and/or deposits of a covered member of the armed forces or a dependent of such a member shall not be subject to any agreement by BECU to issue a secured card that is prohibited under the Military Lending Act.

b. Goods Purchased. You hereby grant us a security interest in each item purchased with advances obtained under this Agreement. This security interest will remain in full force and effect as long as there is an outstanding balance on the item purchased. If we have the right to demand full payment of your new balance, we may also take possession of this property (you

promise to give it to us if we ask) and sell it to satisfy your debts and obligations. Any outstanding debt will be allocated upon the first-bought, first paid rule. You agree that 10 days is reasonable time to give you notice of any such sale.

12. The Minimum Periodic Payment Required

a. Payments. Payments received at Card Services, P.O. Box 84707, Seattle WA 98124-6007 before 5 PM Pacific Time on any business day will be credited to your Card as of that date; payments received on or after 5 PM Pacific Time, on a weekend or federal holiday will be credited as of the next business day. Crediting a payment may be delayed up to five days if the payment is received at any other address or not accompanied by the remittance portion of the monthly statement for your Card.

b. Payment - Minimum Amount and Allocation. If you elect not to pay your New Balance in full, you must make a payment according to the following schedule on or before the due date shown on your statement. If the New Balance is less than \$25, your minimum payment will be the full balance; if this balance is \$25 to \$1,000 your minimum payment will be \$25; if this balance is more than \$1,000 your minimum payment will be 2½% of this balance rounded down to the nearest whole dollar. A credit posting from a merchant or reversal of fees do not constitute any part of a minimum payment. The minimum payment will be allocated at BECU'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 payment will be allocated to pay off higher rate balances first. From time to time, we may allow you to skip your Minimum Periodic Payment due. If you choose to skip that payment, FINANCE CHARGES, and voluntary payment protection costs, if any, will continue to accrue in accordance with this Agreement.

c. Past Due and Overlimit Amounts. In addition to the above, the minimum payment will also include the greater of any amount past due or any amount by which the New Balance exceeds the approved credit limit for the account. If your account is past due, and/or overlimit, that amount of the minimum payment is immediately due.

d. Payment in Full. The payment of a New Balance in full will not eliminate the need to make a minimum payment for the next billing cycle if there are new purchases or cash transactions in the next billing cycle.

13. Lost, Stolen, or Unauthorized Use of Your Card. You agree to notify us immediately, orally or in writing, of the loss, theft, or unauthorized use of your Card. We may investigate any cases of unauthorized use of your Card. We may terminate or limit access to your Card if you have notified us or we have determined that your Card or convenience checks may have been lost or stolen, or that there may be unauthorized access to your Card. Unless you have been negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Card. If you are liable for unauthorized transactions, your liability will not exceed \$50. You will not be liable for unauthorized transactions that occur after you notify us at:

BECU, P.O. Box 97050, Seattle, WA 98124-9750
Telephone: (206) 439-5700 or outside Seattle at 1-800-233-2328
Hours: 7:00 a.m. - 7:00 p.m. PT Monday-Friday;
9:00 a.m. - 1:00 p.m. PT Saturday.
After hours only for use of reporting the loss, theft,
or unauthorized use of your Card: Call 1-800-449-7728

14. Additional Provisions

a. Ownership of Cards. Any Card is our property and must be returned to us or our agent, immediately upon demand. If we ask, you will destroy the Card by cutting it in half and will surrender it to us or our agent, mail it to us, or take it to a location we designate.

b. Honoring of Card. We will not be responsible for the failure or refusal of anyone to honor the Card. Although your New Balance may be less than your credit limit, we may fail or decline to authorize a particular transaction due to the failure of a communications or computer system, due to other operational difficulties or due to issues particular to your account, including your default of any agreement with us, an adverse change in your financial situation, an amendment or termination of your participation in the Plan or, at our discretion, other reasons that we deem to be appropriate.

c. Transfer of Card. You cannot transfer your Card to any other person, although you will be liable for any use by anyone else that has been authorized by you or another Cardholder.

d. Transactions with Internet Merchants. In order to make transactions over the internet, merchants may request your Verified by Visa password to complete the transaction. If a password is not provided, the merchant may deny the transaction. If the password is incorrect, we may deny the transaction.

e. Merchant Return Policy. If a merchant discloses a policy such as “no returns,” “no refund”, “no return or credit without receipt”, “as is”, “store credit only”, or “all sales final”, you will be bound by that policy when you use your Card to buy goods or services from that merchant.

f. Merchant Refunds. If a seller agrees to give you a refund or adjustment, you will accept a credit to your Card in lieu of a cash refund.

g. Merchant Reservations. When using your account to make travel or lodging reservations, obtain the merchant’s cancellation policy and follow it if you cancel. If you cancel, obtain the merchant’s cancellation number that it is required to give you. The merchant may charge you for a cancelled transaction unless you can provide us with the merchant’s cancellation number.

h. Recurring Merchant Transactions. If you authorize a merchant to charge your account for repeat transactions with your Card, you must notify the merchant when you want to discontinue the repeat transactions or if your Card account is closed or a new Card number is issued by us.

i. Merchant Dispute Assistance. If you disagree with a transaction on your statement or have a dispute with the

merchant as a result of the transaction, you will provide information or assistance we reasonably request to permit us to investigate the transaction. Otherwise, you will pay us for any resulting loss we have (up to the amount of the transaction) unless we are prohibited by applicable law from holding you liable for our loss. If any provision of this paragraph conflicts with any part of the “Your Billing Rights” disclosure below that is applicable to the particular transaction, the terms of the “Your Billing Rights” disclosure will control.

j. Transactions. For statement verification, you will retain your copy of each receipt (ticket/draft) resulting from each Purchase, Cash Advance, or other transaction on your Card. We will provide you with documentary evidence of each transaction upon your reasonable request or upon proper written notice of a billing error. (See section 8.e of this Part C for cost information.)

k. Phone Inquiries. Inquiries regarding your Card may be made by calling BECU at 206-439-5700 or, outside Seattle at 1-800-233-2328 or by writing us at the address provided below.

l. Our Address. Please address all other correspondence, letters and notices (excluding payments) with respect to Cards to us at: Customer Service P.O. Box 31112 Tampa Florida 33631-3112.

m. Inactivity. BECU reserves the right to terminate the credit if there are no transactions in one year.

n. Non-Activation. If the Cardholder fails to activate the Card within 30 calendar days after the card is sent to the Cardholder, BECU reserves the right to cancel your account.

o. Closing your Account. You can cancel or close your account by either calling us at 206-439-5700 or, outside Seattle at 1-800-233-2328 or writing us at the address provided above. If you cancel the Account, you must immediately pay everything you owe us, including any amounts owed but not yet billed to you. If you do not pay us immediately, outstanding balances will continue to accrue finance charges and other fees or charges, and be subject to the terms and conditions of this Agreement. You also agree to return to us or destroy your Card(s) and any unused Convenience Checks. You agree that you will not attempt to make a Purchase or Cash Advance after you have been notified of your or our termination or suspension of your credit privileges. You further understand and agree that it is your sole responsibility to terminate your authorization of all reoccurring transactions you may have scheduled with merchants or other third parties.

15. BECU REWARDS PROGRAM OPTION. You may elect to add the *BECU Rewards* Program (“Program”) to your Card account. Upon enrolling in the Program, you agree to accept the terms and conditions contained in the BECU Rewards Program Terms and Conditions that are in addition to the terms and conditions of this Agreement and which otherwise governs your Card. The terms of the Program become effective immediately upon our receipt and acknowledgment of your instructions to enroll you in the Program and will apply only to the purchases of goods and services made with your Card after that effective date.

II. YOUR BILLING RIGHTS

Your Billing Rights: Keep this Document for Future Use

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

What To Do If You Find a Mistake on Your Statement

If you think there is an error on your credit card statement, write to us at:

Customer Service
P.O. Box 31112
Tampa, FL 33631-3112

If you think there is an error on your personal line of credit statement, write to us at:

Research and Adjustments
P.O. Box 97050
Seattle, WA 98124-97050

In your letter, give us the following information:

- *Account information:* Your name and account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors *in writing*. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- *If we made a mistake:* You will not have to pay the amount in question or any interest or other fees related to that amount.
- *If we do not believe there was a mistake:* You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within *10 days* telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

Your Rights If You Are Dissatisfied With Your Credit Card Purchases

If you are dissatisfied with the goods or services that you have purchased with your 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 purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us *in writing* at:

Customer Service
P.O. Box 31112
Tampa, FL 33631-3112.

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

