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**You grant us a security interest in all your shares and deposits, present and future, and all accounts (except Individual Retirement Accounts and Keogh Accounts) with the Credit Union to secure your Account.**

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This Credit Card Account Agreement ("Agreement") and the Account Disclosures ("Account Disclosure") given to you when you opened your Card account ("Account") will govern your Credit Card and Account issued by Express Credit Union ("Credit Union"). In this Agreement, the words "you," "your," "yours," "applicant," and "Borrower" 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 Express Credit Union. The word "Card" means any one or more credit cards issued under this Account. **If you sign an application for this Account or sign or use any Card or PIN, or allow others to use the Card or PIN, you and they will have accepted this Agreement just as if you and they signed it, and you and they, jointly and severally, will be bound by the following terms and conditions which will govern this Account.**

## 1. You Promise to Pay

You promise to pay us all amounts, plus any 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 check or other form of direct payment or by automatic transfers from shares or by payroll deduction.

## 2. Account Access

You must sign and activate the Card to use it. Once you have signed the Card, you can use it to buy or lease goods, services, or insurance wherever the Card is honored, up to the full amount of your Credit Line. You may use your Account to get cash advances from us. You may also use your Card to get a cash advance from participating financial institutions and to access your line of credit at automatic teller machines ("ATMs") within participating networks ATMs.

## 3. Credit Line

If we approve your application, this Agreement will constitute a revolving line of credit for an amount which will be the Credit Line under your Account. We will advise you of the amount of your Credit Line. That amount will be the maximum amount you may have outstanding at any one time. You agree not to attempt to obtain more credit than the amount of your Credit Line. However, if you temporarily exceed your Credit Line, you agree to repay the excess immediately, even if we have not yet billed you. Obtaining such credit does not increase your Credit Line. We retain the right to increase or decrease your Credit Line at any time. Any increase or reduction in the amount of your Credit Line will be shown on your monthly statement or by separate notice together with any changes in the applicable Minimum Monthly Payments. Your eligibility for this Credit Line is determined by our loan policy and may be terminated at our sole discretion, without demand or notice. You may close your Credit Line at any time by notifying us in writing. 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 mail you a statement or notify you an electronic statement is ready to view 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 closing date. The minimum monthly payment will be the greater of \$25.00 or 2.00% of your outstanding balance shown on your statement ("New Balance"). If your outstanding balance is less than \$25.00, you agree to pay the balance in full. In addition to the minimum monthly payment, you agree to pay any "Overlimit Amount" and any amount past due shown on your statement each month by the due date shown on your Statement. You may pay in full for all your purchases and cash advances each month, or you may repay in monthly installments. We can accept late payments or partial payments, or checks, drafts, 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 does not constitute a minimum payment. The minimum monthly payment may be allocated at the Credit Union'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. Payments received at: P.O. Box 94286, Seattle, WA 98124, on 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 or on a weekend will be posted to your Account as of the next business day.

## 5. Security Interest

**a.** By signing your application, to secure your Account, you grant us a purchase money security interest under the Washington 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 that have not been paid for through application of your payments in the manner described in Section 4. In addition, you grant us a security interest in all your shares and deposits, present and future, and all accounts (except Individual Retirement Accounts and Keogh Accounts) with the Credit Union to secure your Account and 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. **You further agree that collateral securing other loans with the Credit Union (except loans secured by real property) also secures this Account.**

**b.** If you give the Credit Union a specific pledge of shares by signing a separate pledge of shares, your pledged shares will secure your Account. You may not withdraw amounts that have been specifically pledged to secure your Account until the Credit Union agrees to release all or part of the pledged amount.

## 6. Periodic Statements

Each month, if your outstanding balance exceeds \$1, we will send you a statement showing new purchases, cash advances, payments, and credits made to your Account during the billing period, your Previous Balance, your "Total New Balance," any Interest Charge, and any other charges. Your statement also will identify the remaining Credit Line available and the Minimum

Monthly Payment you must make for that billing period and the date it is due. For statement verification purposes, you agree to retain copies of transaction slips resulting from each purchase, each advance, and other transaction on your Account. Unless you notify us of a billing error as described below, you accept your monthly statement as an accurate statement of your Account with us.

## **7. Circumstances under Which an Interest Charge Will Be Imposed**

The total outstanding balance of purchases, balance transfers, and cash advances in the Account on the closing date of a billing period, including any Interest Charge, will be shown on the Periodic Statement for that billing period as the "New Balance."

### **a. Cash Advances and Balance Transfers**

We begin charging an Interest Charge on cash advances and balance transfers from the date of each transaction. There is no time period within which to pay to avoid a periodic Interest Charge on cash advances and balance transfers.

### **b. Purchases**

We will begin charging you interest on new purchases on the first day of the following billing cycle. However, we will not charge you any interest on new purchases if you paid the entire new balance on the previous cycle's billing statement by the Payment Due Date of that statement. To avoid an additional finance charge on the balance of purchases or balance transfers, you must pay the entire new balance on the billing statement by the Payment Due Date of that statement.

## **8. Method Used to Determine the Balance on Which the Interest Charge May Be Computed and Amount of Interest Charge**

Interest charges on your Account are calculated separately for purchases, balance transfers and cash advances ("Transaction Type"). We figure the interest charge for each Transaction Type by applying the periodic rate to each corresponding "average daily balance." To get the "average daily balance" for a Transaction Type we take the beginning balance for that Transaction Type each day, add any new transactions of that type (excluding new purchases), and subtract any unpaid interest or other finance charges and any applicable payments or credits. This gives us the daily balance for each Transaction Type. Then, for each Transaction Type, We add up all the daily balances for the billing cycle and divide each total by the number of days in the billing cycle. This gives us the "average daily balance" for each

Transaction Type.

## **9. Periodic Rate and Corresponding Annual Percentage Rate**

### **a. Standard Rates**

The Periodic Rate and corresponding Annual Percentage Rate(s) used to compute the Interest Charge will vary from time to time according to the terms set forth below. The initial Annual Percentage Rate and the margin used to determine subsequent Annual Percentage Rates are set forth in the Account Disclosure that accompanies, and is a part of, this Agreement. The Annual Percentage Rate is divided by 365 to obtain the Daily Periodic Rate.

### **b. Introductory or Promotional Rates**

At our discretion, we may offer you an introductory or promotional Annual Percentage Rate for your Account. Any introductory or promotional Annual Percentage Rate will be subject to the terms of the offer and this Agreement. We will provide you with

information on the offer, including the time period the introductory or promotional Annual Percentage Rate is in effect in the Account Disclosure or in other materials that we send to you about the offer after you receive your Credit Card.

### **c. Variable Rate Terms.**

The Annual Percentage Rate will vary based on an index which is the Prime Rate as published in *The Wall Street Journal*. To determine the Annual Percentage Rate, we add a margin to the index. The margin for your Account is shown in the Account Disclosure that accompanies, and is a part of, this Agreement. The Annual Percentage Rate may change on the first day of each billing cycle, based on the most recent index value as of the tenth day of the previous month.

## **10. Conditions under Which Other Charges May Be Imposed**

You agree to pay the following fees and charges on your Account. All fees and charges will be added to your purchase balance and will accrue interest charges at the same rate that applies to your purchase balance.

**a. Cash Advance Fee.** You will be charged \$5.00 or 2.00% of the amount of each cash advance, whichever is greater.

### **b. Late Fee**

If any payment is not made on or before its due date, you will pay a late fee of \$20.

### **c. Returned Item Fee**

If any check, draft, or electronic payment we receive from you as payment for any amount you owe to us is returned to us unpaid, you agree to pay a returned item fee of \$20.

### **d. Card Replacement Fee**

You will be charged \$10 for each replacement card that is issued to you for any reason.

### **e. International Transaction Fee**

You will be charged an International Transaction Fee of 1.8% of the transaction amount (in U.S. dollars) for any card transaction made in a foreign country in U.S. dollars.

### **f. Copy Fee**

You will pay \$5 for each copy of a statement or other document.

### **g. Attorney's Fees and Costs**

If you default on any part of this Agreement, you agree to pay us all costs to collect your Account, including court costs and reasonable attorney fees whether or not there is a lawsuit, and fees on any appeal and fees for bankruptcy proceedings, appeals, and any post-judgment collection services, if applicable. These fees and costs may be added to your Account balance and will bear interest at the Annual Percentage Rate in effect at that time.

## **11. Conditions of Card Use**

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

### **a. Use**

Your Card and Account may be used only for valid and lawful purposes. You may not use your Card (i) to make Purchases or obtain Cash Advances for any illegal transaction, or (ii) for any internet or online gambling transactions. If you use your Card for any illegal or prohibited transaction, this Agreement also applies to such transaction and you agree to pay any and all amounts related to such transaction pursuant to the terms of this Agreement. We may, at our sole discretion and without warning, restrict the use of or terminate your Card if we notice excessive

use of your Card or other suspicious activities or if we reasonably believe the Card is or has been used for one or more illegal or prohibited transactions.

#### **b. Ownership of Cards**

Any Card 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. You cannot transfer your Card or Account to another person.

#### **c. Honoring the Card**

We may decline to honor any transaction for any reason. 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.

#### **d. Currency Conversion/International Transaction Fee**

Purchases and cash advances made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives or the government-mandated rate in effect for the applicable central processing date. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

A fee (FINANCE CHARGE), calculated in U.S. dollars, will be imposed on all foreign transactions, including purchases, cash advances and credits to your account. A foreign transaction is any transaction that you complete, or a merchant completes on your card outside of the United States, with the exception of U.S. military bases, U.S. territories, U.S. embassies or U.S. consulates. The Foreign Transaction Fee is set forth on the Disclosure accompanying this Agreement.

#### **e. Notices and Payments**

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

Express Credit Union  
PO Box 94286  
Seattle, WA 98124

#### **f. Personal Identification Number**

If we issue you a Personal Identification Number ("PIN") for use with your Card in accessing your line of credit at ATMs, these numbers are issued to you for your security purposes. These numbers are confidential and should not be disclosed to third parties. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make available your PIN to anyone not authorized to sign on your Account. 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 with respect to your Account. Upon default, we may declare the entire unpaid balance immediately due and payable, and you agree to pay that amount plus any attorney's fees and costs as set forth in Section 10 above, including fees and costs in any appeal or bankruptcy proceeding. 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. 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.

#### **14. Severability**

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

#### **15. Loss or Theft of 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 the unauthorized use of your card. You will not be liable for unauthorized use which occurs after you notify: Express Credit Union, PO Box 94286, Seattle, WA 98124, (206) 622-1850, orally or in writing of loss, theft, or possible unauthorized use. You will not be liable for unauthorized use of your Card if you were not negligent or fraudulent in handling your Card. In any case, your liability shall not exceed \$50.

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

#### **17. Amendments**

We reserve the right to change any terms or conditions of this Agreement at any time, to the extent permitted by applicable law. We will notify you of the changes to this Agreement as required by law.

#### **18. BILLING ERRORS NOTICE, YOUR CREDIT CARD 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 statement, write to us at: Express Credit Union, PO Box 94286, Seattle, WA 98124. 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 the above address. 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.

## **19. Acknowledgment**

You understand and agree to the terms and conditions in this Agreement and the Fair Credit Billing Notice. You acknowledge that you have received a copy of this Agreement, the Account Disclosure, and the Fair Credit Billing Notice. This Agreement is a final expression of the agreement between you and the Credit Union.