

## **DOWNRIVER COMMUNITY FEDERAL CREDIT UNION VISA BUSINESS CREDIT CARD AGREEMENT**

THIS IS YOUR AGREEMENT WITH DOWNRIVER COMMUNITY FEDERAL CREDIT UNION REGARDING RIGHTS AND RESPONSIBILITIES ASSOCIATED WITH YOUR OBTAINING A VISA BUSINESS CREDIT CARD. PLEASE READ THIS DISCLOSURE CAREFULLY TO BE FAMILIAR WITH YOUR RIGHTS AND RESPONSIBILITIES. IT IS IMPORTANT TO RETAIN THIS NOTICE FOR FUTURE REFERENCE AND TO NOTIFY US AT ONCE IF ANY PARTS ARE UNCLEAR.

1. WORDS OFTEN USED IN THIS AGREEMENT. The word "Agreement" means this DOWNRIVER COMMUNITY FEDERAL CREDIT UNION VISA CREDIT CARD AGREEMENT. In this Agreement, the words "you" and "your" mean or refer to the business entity which has applied for the Card or Cards and/or any Guarantors as applicable. "Card" means the VISA Credit Card or Cards, and any duplicates and renewals thereof, or substitutions thereof, we may issue to you. "Account" means your VISA Business Credit Card line of credit loan account with us. "We," "us" and "ours" means or refers to DOWNRIVER COMMUNITY FEDERAL CREDIT UNION.

2. THIS IS YOUR CONTRACT WITH US. When your application is accepted by us, it becomes a binding contract. When you sign the application, you acknowledge receipt of a copy of this Agreement and promise to abide by the terms of this Agreement including all applicable laws.

3. SIGN THE CARD AND KEEP THIS AGREEMENT. All Authorized Users must sign their card before using it. By use of the card by any and all authorized users, you are agreeing to comply with the terms of this Agreement. However, your liability under this Agreement does not depend on whether an authorized user signs his or her Card. You should read this agreement and keep a copy for future reference.

4. USING THE CARD. We will send you a Card or Cards embossed as you have directed. As soon as received, each Card must be signed (in the space provided on the back) by the person whose name is embossed thereon. That signature must be in the same form as embossed on the front of the Card. To make a Purchase or Cash Advance, present the Card to a participating VISA plan merchant or financial institution, or to us, and sign the sales draft or cash advance draft which will be imprinted with your Card. Please note that we are not responsible if a particular VISA plan merchant or financial institution refuses to honor your Card. You will receive a copy of any draft you sign when using the Card which you should retain to verify your monthly statement. We will upon request furnish you with a copy of a draft at a charge per copy as disclosed further below; however, no charge will be made in cases involving error resolution. You may use your Card to make purchases and cash advances only for business purposes, including commercial, industrial and professional purposes, and NOT for personal, family or household purposes. In addition, authorized users may obtain cash advances from the Credit Union or from other financial institutions that accept VISA Cards or ATMs that accept VISA Cards. Whenever an authorized user requests an advance, we may require them to prove their identity. When the amount advanced appears on a subsequent statement, that will be conclusive evidence of the request. To obtain an advance at an ATM the authorized user must use a Personal Identification Number (PIN) that was issued for use with the Card.

5. ILLEGAL TRANSACTIONS. You agree that authorized users will only use your Account for transactions that are legal. Display of a payment card logo by an on-line merchant does not mean that the transaction with that merchant is legal in your state of legal organization or residence. You agree that your Cards will not be used for any illegal transactions. We will not be liable if you or your authorized users engage in any illegal transactions.

6. PROMISE TO PAY. If we approve your application and issue you a Card, you promise to repay to us all amounts charged to your account and the FINANCE CHARGE thereon arising from any authorized use of the Card. You agree not to allow unauthorized users to use any card. If the application (and thus this Agreement) is signed by any Guarantors, each of you, separately and jointly with each other, is liable for all amounts charged to the Account and FINANCE CHARGE thereon. Your obligation to pay all such debts and FINANCE CHARGE thereon continues even though an agreement, decree or other court judgment to which we are not a party may direct that only one of you, or some person other than you (or all of you), must pay such debts and FINANCE CHARGE.

7. CREDIT LINE. If we approve your application, we will establish a self-replenishing line of credit for you and will notify you of the amount thereof ("credit limit") a letter that will be delivered to you separate from card. That letter is hereby incorporated herein as part of this Agreement. You agree not to let your Account Balance exceed such amount, and you agree to pay us the total amount over the credit limit upon our demand whether or not we authorized the advance(s) which caused you to exceed your credit line. Unless you are in default, each payment you make on the Account will replenish your credit limit by the part of that payment which is applied to principal. You may request an increase in the credit limit by a written application, which must be approved by us. We may increase or decrease the limit from time to time or may, with good cause, revoke your Card and terminate this Agreement; in either event, we will give you written notice of such action. "Good Cause" includes your failure to satisfy the terms of this Agreement or our adverse reevaluation of your Credit worthiness; in either event, we will give you written notice of such action. In the event your account is

cancelled or revoked due to default, the balance at the time of default may be transferred in-house with the Credit Union. However, you may terminate this Agreement, at any time and for any reason, by giving us written notice. Nevertheless, termination by you or by us does not affect your obligation to pay all debts and FINANCE CHARGE thereon arising from authorized use of your Card. The Cards remain our property and you must recover and surrender to us all Cards upon our request or upon termination of this Agreement.

8. **MULTIPLE GUARANTORS.** If more than one person signs the application as Guarantor, each such person promises to pay all amounts owed to us under this Agreement. Each of you agrees that all authorized users can make purchases, cash advances, or balance transfers individually. Each of you is jointly and severally obligated. This means that we may collect money owed to us from each of you or from all of you regardless of your current domestic relationship or other legal proceedings. In any event, all of you will continue to be jointly and severally obligated until all cards are returned and all amounts owed are paid in full.

9. **AUTHORIZED USERS.** You may allow Authorized Users on your Account in the following ways: (1) notifying us that you want someone added to the account as an Authorized User; (2) by lending your Card or Account Number to someone else; or (3) by any other means in which you would be legally considered to have allowed another to use your Account or be legally prevented from denying that you did so. You should think carefully before you allow someone to become an Authorized User. By doing so, you authorize the person to use your Account, including but not limited to making Purchases, Cash Advances, Balance Transfers and allowing others to use your Account. Your Account does not permit you to limit the nature or amount of authority you give to any Authorized User and you agree that you will not attempt to do so. An Authorized User's authority will continue until you both notify us that you are terminating the authority and you physically retrieve the Card. If you cannot retrieve the Card, you will remain liable for any transactions we cannot prevent after you notify us.

10. **PAYMENTS.** We will mail you a statement every month showing your Previous Balances of purchases and cash advances, the current transactions on your account, the remaining credit available under your Credit Line, the New Balances of purchases and cash advances, the Total New Balance, the FINANCE CHARGE due to date, and the Minimum Payment required. Every month you promise to pay at least the Minimum Payment by the date specified on the statement, or no later than 25 days from the statement closing date. You may pay more frequently, pay more than the Minimum Payment, or pay the Total New Balance in full. If you make extra or larger payments, you are still required to make at least the minimum payment each month the Account has a balance (other than a credit balance). The Minimum Payment will be either (a) 3.0% of your Total New Balance, or \$20.00, whichever is greater, or (b) your total New Balance, if it is less than \$20.00 plus (c) any portion of the Minimum Payment(s) shown on prior statement(s) which remains unpaid. In addition, at any time your total New Balance exceeds your Credit Line, you must immediately pay the excess upon our demand.

11. **PAYMENT ALLOCATION:** We will apply your payments first to previously billed and unpaid **FINANCE CHARGE** on purchases; then to previously billed and unpaid **FINANCE CHARGE** on cash advances; then to previously billed purchases; then to cash advances; and then to new purchases, whether or not billed on the monthly statement. However, any payment equal to, or greater than, the Previous Balance of Purchases will be applied first to that balance and any **FINANCE CHARGE** thereon so as to avoid continuing accrual of **FINANCE CHARGE** on that amount. All payments will be processed as of the close of the business day on which they are received. We reserve the right to change the manner in which payments are allocated.

12. **FINANCE CHARGE.** Your Business VISA Account will be subject to a Finance Charge (interest) at a Daily Periodic Rate of 1.0825%, corresponding to an Annual Percentage Rate of 12.99%

The FINANCE CHARGE is calculated by applying the above periodic (monthly) rate pertaining to your type of card to the Average Daily Balance (including new purchases). An "Average Daily Principal Balance" is calculated separately for purchases and cash advances and is determined as follows: For each day during the statement period (billing cycle) the principal balances of purchases and of cash advances from the previous day are increased by any purchases or cash advances posted to the Account that day and decreased by any payments or credits posted to the Account that day. Such daily principal balances are separately totaled and then divided by the number of days in the statement period (billing cycle), resulting in the "Average Daily Principal Balances" of purchases and cash advances shown on your statement.

13. **PERIODIC STATEMENTS.** We will mail you a statement every month showing your previous balance, purchases and cash advances, payments made on your account, periodic rate, annual percentage rate, finance charge and its method of computation, any other charges, grace period, payment due date, procedures for error resolution, Minimum Payment required, and the closing date with corresponding New Balance for the billing cycle. At our option, you may not receive a statement on your Account if there has been no activity or if collections procedures have been initiated against you because you are in default. Each statement is deemed to be a correct statement unless you establish a billing error pursuant to the procedures for doing so as described in this Agreement.

14. **DEFAULT.** You will be in default and we may, to the extent permitted by law, terminate your credit line and declare the entire unpaid balance of the account immediately due and payable, under any of the following conditions:

- you fail to make the minimum payment by the statement payment due date;
- you breach any other promises made in or conditions of the Agreement and/or any other agreement with us;
- any of your cards or the Account is used for an illegal transaction;
- if you or any Guarantor become involved in any insolvency, receivership, guardianship, conservatorship, or any other proceeding which determines you or any such Guarantor are incapable of managing your financial affairs, including filing for Bankruptcy;
- you have or any Guarantor has made a false or misleading statement in any credit application and/or in any representation to us while you owe money on the account;
- a judgment or tax lien is filed against you or any Guarantor, or any attachment or garnishment is issued against any of your or any Guarantor's property or accounts, including anyone starting an action or proposing to seize any of your or any Guarantor's funds on deposit with us;
- we in good faith determine that your or any Guarantor's creditworthiness (which includes your or any Guarantor's ability to repay us) has become unsatisfactory due to change in employment, increase in other obligations, or because of any other reason, time being of the very essence;
- any Guarantor dies; or
- government action precludes us from imposing the annual percentage rate or a government authority has notified us that continued advances constitute an unsafe and unsound practice.

In the event of any default, you agree to continue paying finance charge, at the periodic rate as described above, until what you owe has been paid in full. Any shares given as security for the Account may be applied toward what is owed.

15. **COLLECTION COSTS.** You also agree that, in case of default, you will pay all usual and customary costs of collection permitted by law, including, but not limited to, attorney fees and expenses incurred by us in the enforcement of this agreement.

16. **DELAY OR FAILURE TO ENFORCE.** We do not lose our rights under this or any related agreement if we delay or fail to enforce them. We can accept late payments, partial payments or any other payments without losing any of our rights under this Agreement.

17. **ACCORD AND SATISFACTION.** Any communications concerning a disputed balance, including an instrument tendered as full satisfaction of a debt, must be sent directly to DOWNRIVER COMMUNITY FEDERAL CREDIT UNION, ATTENTION: DISPUTED CREDIT CARD PAYOFF DEPARTMENT, 4320 W. Jefferson , Ecorse, Michigan 48229.

18. **NOTIFICATION OF ADDRESS CHANGE.** You agree to notify us promptly if you or any Guarantor changes your name, address or telephone number.

19. **ADDRESS FOR NOTICES TO US.** All notices under this Agreement must be in writing and mailed to DOWNRIVER COMMUNITY FEDERAL CREDIT UNION, P. O. Box 29869, Ecorse, Michigan 48229.

20. **CHANGE IN TERMS.** From time to time, we may amend this Agreement by mailing a written notice of the amendment to you at the last address shown for you in our records. In the event the terms we are changing require advance notice by law, we will comply with the requirements of that law.

21. **YOU MAY CANCEL THE ACCOUNT.** You may cancel the account whenever you choose. If you do, you agree to cut each Card in half and return it to us at the address shown in Section 19 above, along with your written notification that you wish to cancel the account. Such cancellation will become effective within five days after the notice is received by us. You and any Guarantor will still be responsible for the repayment of any outstanding balance on your account and any other amounts that have not yet been billed to you.

22. **WE MAY CANCEL THE ACCOUNT.** We have the right to cancel the account at any time upon written notice sent to you at the last address shown for you in our records. In such case, you agree to discontinue the use of the Cards, and to return the Cards to us, at

our request, and you acknowledge and agree that you are still responsible for all transactions made to the Account after termination, unless such transactions were unauthorized.

23. **CREDIT REPORTING AGENCIES.** You and each Guarantor authorize us to investigate your credit standing when opening, renewing or reviewing your Account, and you authorize us to disclose information regarding our experience with you under this Agreement to credit bureaus, including consumer reporting agencies, and other creditors. If a Guarantor requests it, we will provide the name and address of each consumer reporting agency used for this purpose. If a Guarantor believes we have reported inaccurate information about the Guarantor to a consumer reporting agency, please notify us at the address listed above in Section 19. In so doing, please identify the inaccurate information and tell us why you believe it is incorrect. If you have a copy of the credit report that contains the alleged inaccurate information, please send us a copy of that report as well. **All Guarantors are hereby notified that negative information will be provided to appropriate consumer reporting agencies if you fail to perform your obligations under this agreement.**

24. **TRANSACTION SLIPS.** Your periodic statement will identify the merchant, electronic terminal location, or financial institution at which transactions were made, but sales, cash advances, credit or other slips cannot be returned with each statement. You must retain the copy of such slips furnished at the time of each transaction in order to verify the transactions listed on your statement. You agree to pay a reasonable fee for photocopies of transaction slips that you request.

25. **CREDITS.** If merchants who honor your Card give you a credit for returns or adjustments, they will do so by sending us a credit which we will post to your Account. You should keep your copy of the credit slip to verify your monthly statement. If your credits and payments exceed what you owe us on the Account we will credit such excess to the Account and, if the amount is \$1.00 or more, we will credit it to your share account after two (2) months or upon your written request.

26. **FOREIGN TRANSACTIONS.** Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The exchange rate for transactions in a foreign currency 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. In addition, as provided in Section 31, we will separately bill you a 1% International Transaction Fee.

27. **TRANSACTIONS WITH MERCHANTS.**

- **Return Policies** – If a merchant discloses a policy such as but not limited to “no returns,” “no refunds,” “as is,” or “all sales final” you will be bound by that policy when you use your Account to buy goods or services from that merchant.
- **Reservations** – When using your Account to make a travel or lodging reservation, obtain the merchant’s cancellation policy and follow it if you wish to cancel. If you cancel, obtain the merchant’s cancellation number that it is required to provide to you. The merchant may charge you for a cancelled transaction unless you can provide us with the merchant’s cancellation number.
- **Recurring Transactions** – If you authorize a merchant to charge your Account for repeat transactions without your Card, you must notify the merchant, and not us, when you want to discontinue the repeat transactions.
- **Dispute Access** – If you disagree with a transaction on your statement or have a dispute with a merchant as a result of a transaction, you agree to provide us with information and assistance we reasonably request. Otherwise, you will pay us for any resulting loss we have, unless we are prohibited by law from holding you liable for our loss.

The credit union is not responsible for the refusal of any merchant or financial institution to honor the Card.

28. **CARD USE AND OWNERSHIP.** You understand that your Business VISA Credit Card is issued by us, remains our property, and is subject to rules governing credit card and ATM networks, which financial institutions must follow. The cards are not transferable. By using your Card at an ATM, you are agreeing to the following additional terms: (1) To abide by the rules and regulations and those of the participating ATM network as may be amended; (2) That we and the ATM network may follow all electronic instructions given through the ATM; (3) that we may restrict the use of or terminate your Card at any time without notice to prevent loss to your account or to the Credit Union; (4) the Card may not be used for any illegal transaction.

29. **DAILY LIMITS.** You agree to adhere to any daily limits established by the Credit Union in conformance with any applicable ATM network agreement and which are subject to modification to preserve the integrity of the ATM network and prevent loss to the Credit Union or its members. Daily limits for cash advances will be included on the Rate and Fee Schedule which is accessible to all members upon request.

30. **PERSONAL IDENTIFICATION NUMBER (PIN).** Upon request we will furnish you with a Personal Identification Number (PIN). You agree to keep the PIN confidential. You also agree the authorized users will not write the PIN on the Card or anything they

keep with the Card. Your use of the PIN and Card in getting a Cash Advance or making a Purchase is agreed to constitute an authorized signature for purposes of such transactions. The Card can also be used together with the Personal Identification Number (PIN) to get a Cash Advance from an Automated Teller Machine (ATM) in the VISA Network, to get a Cash Advance from a VISA financial institution, or to make a Purchase from a merchant that uses the Card in an electronic terminal that accesses the VISA system. IF AN AUTHORIZED USER FORGETS OR DOES NOT ENTER THE PIN CORRECTLY, THE ATM MAY KEEP THE CARD THE THIRD TIME THE PIN IS ENTERED INCORRECTLY. THIS PROCEDURE IS FOR SECURITY MEASURES. YOU SHOULD INSTRUCT ALL AUTHORIZED USERS TO KEEP YOUR PIN IN A SECRET PLACE. If you authorize us to issue a Card to anyone else for use through any electronic access device, you are authorizing that individual to withdraw funds from any account that can be accessed by that card, regardless of whether that individual is authorized to withdraw money from the account by any other means.

31. FEES AND CHARGES. You agree to pay the various fees and charges with respect to your account:

- Late Charges: If you fail to make any payment within 15 days of its due date, you may be charged a Late Charge equal to 20% of the past due payment amount with a minimum late charge of \$1.00 and a maximum late charge of \$20.00.
- Returned Payment Fee: If a check or other item you give to us as payment on your account is dishonored or returned for any reason, you agree to pay is a \$25.00 returned payment fee. In addition, we may thereafter refuse to accept uncertified personal checks as payment on your account.
- ATM Fees: Your account may be charged, and you agree to pay, any ATM fees, including surcharges or other fees imposed by a financial institution or network for transactions at ATMs.
- International Transaction Fee: Your account may be charged, and you agree to pay, a 1% INTERNATIONAL TRANSACTION FEE on all transactions where the merchant country differs from the country of the card issuer (that is, for any transaction outside of the United States). The converted transaction amount will be shown separately from the International Transaction Fee on your billing statement. This fee will be assessed on all international purchases, credit vouchers, and cash disbursements.

Your Account may be subject to other charges including a fee of \$2.00 per page for a copy of your statement or copy of sales draft

- Collection Fees: Your Account may be charged, and you agree to pay, all of the credit union's collection expenses, including court costs and reasonable attorney's fees.

32. LIABILITY FOR FAILURE TO COMPLETE TRANSACTIONS. We will not be liable for transactions that are not completed if any of the following circumstances apply:

- Through no fault of ours, you do not have sufficient funds available in your credit line;
- The transaction would cause you to exceed your credit limit;
- The ATM where you are requesting a cash advance does not have enough cash;
- The terminal or system was not working properly and you knew of the malfunction at the time you initiated the transactions;
- Circumstances beyond our control (such as fire or flood) prevent the transaction, despite reasonable precautions we have taken;
- Your Card is retrieved or retained by an ATM;
- Your Card or PIN has been reported lost or stolen and your account has been blocked or frozen;
- Your account is in default;
- You or anyone authorized by you to conduct a transaction commits fraud or violates any laws or regulations; or
- You fail to follow the instructions on an ATM screen or other terminal.

33. LIABILITY FOR UNAUTHORIZED USE. You may be liable for the unauthorized use of your credit card. You will not be liable for unauthorized use that occurs after you notify DOWNRIVER COMMUNITY FEDERAL CREDIT UNION at the address or

telephone number set forth below. You must notify us orally or in writing of the loss, theft, or possible unauthorized use. In any case, your liability will not exceed \$50.00. Notify us at:

DOWNRIVER COMMUNITY FEDERAL CREDIT UNION  
P. O. Box 29869  
Ecorse, Michigan 48229 -1532  
800-837-1080

34. SECURITY INTEREST. As a condition of us granting you credit under this Agreement, you and all Guarantors hereby agree to grant us a security interest in all present and future shares and deposits with us except Individual Retirement Accounts and other accounts which provide tax benefits under state or federal laws to secure this VISA Account. Upon default under this Agreement you and all Guarantors agree that we may apply all of your shares and deposits subject to this security interest to pay amounts due on the account under this Agreement. You also agree to grant us a security interest in collateral (other than collateral consisting of (i) real estate that is the principal residence of a Guarantor; and (ii) household goods) securing other loans with us to secure credit under this Agreement.