

INTEREST RATES AND INTEREST CHARGES

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| Annual Percentage Rate (APR) for Purchases, Balance Transfers and Cash Advances | 9.25% This APR will vary with the market based on the Prime Rate. |
| Paying Interest | My due date is at least 21 days after the close of each billing cycle. You will not charge me interest on purchases if I pay my entire balance by the due date of each month. You will begin charging interest on cash advances and balance transfers on the transaction date. |

FEES

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| Annual Fee | None |
| Transaction Fees | Cash Advance: Either \$2 or 2% of the amount of each cash advance, whichever is greater. International Transactions: None |
| Penalty Fees | Late Payment: up to \$39 Returned Payment: up to \$28 |

How We Will Calculate Your Balance: We will use a method called “Average Daily Balance (including new purchases).” See the Agreement Statement below for more details.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in the Agreement and Disclosure Statement.

BUSINESS VISA® CREDIT CARD ACCOUNT AGREEMENT

Introduction

This Bay Federal Credit Union Business VISA® Credit Card Agreement (“Agreement”) governs the use of your Bay Federal Credit Union Business Credit Card Account (“Account”). In this Agreement, the words “you” and “your” mean (i) the business on whose behalf the related Bay Federal Credit Union Business VISA® Credit Application and Agreement or other written document (including an electronic record) that you signed or otherwise submitted for this Account (your “Application”) was submitted and (ii) each and every person who signed the Application or who uses the Card or the Account. The words “we”, “us” and “our” mean Bay Federal Credit Union and its successor(s) and assign(s). The word “Card” refers to the credit card that we issue to you or on your behalf. The use of your Account number to obtain advances will be considered a use of your Card. Your Application, the Business VISA® Credit Card Approval Letter (“Letter”) received by you prior to this Agreement, your Card and the card carrier that we send with your Card, your signature (including any electronic or digital signature) on any Application, sales slip or other evidence of indebtedness on your Account and any other documents required by us now or in the future in connection with this Agreement and your Account (such as any personal guarantees or security agreements) are hereby incorporated into and made a part of this Agreement. The word “Guarantor” means each person identified in your Application as a personal or corporate guarantor. You and we agree to the following terms and conditions:

- 1. Use of Account and Conduct of Business.** You represent, warrant and agree that this Account will be used solely for business and commercial purposes and not for any personal, family or household purpose. You agree to comply with all laws, statutes, regulations and ordinances pertaining to the conduct of your business and promise to indemnify and hold us harmless from any damages, liabilities, costs, expenses (including attorneys’ fees) or other harm arising out of any violation thereof. This indemnity will survive termination of your Account and this Agreement.
- 2. Effective Date.** The words “Effective Date” as used in this Agreement mean the date specified in your Letter. You understand and agree that we may postpone, without penalty, any advance under your Account until all required security interests have been perfected and we have received all required personal guarantees or other documentation.
- 3. Promise to Pay Obligation.** You promise to pay us, or to our order, without defense or setoff, the outstanding principal balance of all advances, fees and charges on your Account, together with interest thereon, plus any other sums due under this Agreement. Subject to any grace periods, FINANCE CHARGES will be calculated from the date of each advance or other transaction until repayment in full. Each of you, if more than one, is jointly and severally liable on this Agreement. This means that we may require any of you to pay all amounts due under this Agreement, including credit advances made by any of you, even if it exceeds the authorized Credit Limit. Any one of you, on your request alone, may cancel your Account, request and receive advances or take any other action regarding your Account. We may release or modify the obligations of any one or more of you (or any guarantor) from responsibility under this Agreement, and the other obligors will remain fully responsible hereunder.

4. Credit Limit. This Agreement governs a line of credit for a maximum total dollar amount (including, without limitation, principal, interest, fees and charges) up to the dollar amount disclosed from time to time as your Credit Limit, shown initially on the Letter and thereafter on your Statement. You agree not to request any advance that will make your Account balance exceed your Credit Limit. If you exceed your Credit Limit, you agree to repay immediately the amount by which the balance of your Account exceeds your Credit Limit, even if we have not yet billed you for such amount. We may refuse to authorize or accept any request for an advance (including any Check) that would cause you to exceed your Credit Limit. Your payment of any amount in excess of your Credit Limit will not constitute an increase in your Credit Limit. We may reduce or increase your Credit Limit at any time and will notify you accordingly by Statement or otherwise.

5. Purchase and Advances. You may make purchases and request advances in accordance with then current loan policies up to your Credit Limit. You understand and agree that all purchases and other transactions requested by you or anyone you have permitted to use the Card(s) and/or Account are subject to our approval.

6. Using the Card. To make a purchase or obtain an advance, there are two alternative procedures to be followed. One is for you to present the Card or Card number to a participating VISA® plan merchant, to us or to another financial institution, and sign or authorize a sales or cash advance draft. The other is to complete the transaction by using your Personal Identification Number (PIN) in conjunction with the Card in an Automated Teller Machine or other type of electronic terminal that provides access to the VISA® system.

Your Card and/or Account may not be used directly or indirectly for: (1) any illegal activity or transaction; or (2) any gambling, gaming, betting or similar activity or transaction. Further, you may not utilize your Card and/or Account for the purchase of any goods or services on the Internet that involve gambling, gaming, betting or any similar transaction or activity. Such transactions include, but may not be limited to, any quasi-cash or online gambling transaction, any electronic commerce transaction conducted over an open network, and any betting transaction including the purchase of lottery tickets or casino gaming chips/checks or off-track betting or wagering. However, in the event that a charge or transaction described in this paragraph is approved and processed, you will still be responsible for such charges.

7. Advances. Provided that you are not in default and your right to request advances has not been terminated, suspended or canceled, you may obtain advances from your Account after the Effective Date. You may obtain advances by purchasing goods, labor, insurance, and/or services (including mail, telephone and electronic orders) through merchants or other parties that honor the Card ("Purchases"). If applicable, you may also obtain advances ("Cash Advances") (i) by presenting your Card at any financial institution honoring such Card; (ii) by requesting that an advance be credited to your Bay Federal Credit Union Business checking account or other deposit account designated by you and acceptable to us. You authorize us to accept requests by telephone for advances to be transferred to your Bay Federal Credit Union Business checking account or other permitted deposit account, provided that you (or an Authorized User) identify yourself to our satisfaction when requesting such an advance. Each telephone transfer request may take up to three (3) business days to process. Advances may be requested by an Authorized User specifically authorized and designated by you for such purpose. You agree to indemnify and hold us harmless, for, from and against any damages, liabilities, costs, expenses (including attorneys' fees) or other harm arising out of any claim by you or any third party against us in connection with our performance of transfers as described above. This indemnity will survive termination of your Account and this Agreement.

8. Limitations on Your Ability to Obtain Advances. We will have no obligation to advance funds under your Account if: (i) you fail to make any payment when due; (ii) you or any guarantor is (or would be if we honored your request) in default under or otherwise in violation of the terms of your Account, this Agreement or any other agreement that you or any guarantor have with us or any of our affiliates; (iii) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of your Account or any other credit extension with us or any of our affiliates (whether made to you or to any other party); (iv) you have applied funds provided pursuant to the Account for purposes other than those permitted under the Agreement or authorized by us; (v) your Credit Limit has been or would be exceeded; (vi) your Check is post-dated, (vii) your Card or other access device has been reported lost or stolen; (viii) your Purchase and/or Cash Advance is not signed by an "Authorized User"; (ix) your request is less than the minimum amount required by this Agreement or otherwise is not permitted under the terms of the Agreement; or (x) we receive conflicting demands from any of you. If we honor any request for an advance under these conditions, then you must repay any such advance with interest in accordance with the terms of this Agreement, subject to applicable law. You hereby authorize us, in our sole discretion, to pay any post-dated Check and agree to hold us harmless against any and all liability arising from the payment of any such post-dated Check. If we receive conflicting demands or instructions from any of you, then we may, at our option, refuse to make any advance that has not been requested by all of you together. Our liability, if any, for wrongful dishonor of a request for an advance is limited solely to your actual damages. You hereby agree that if we dishonor a proper request for an advance for any reason as provided in the Agreement, it is not a wrongful dishonor. In no event will we be liable for any delay or refusal to follow instructions that occurs as a result of an actual or apparent conflict.

9. Additional Terms Regarding Advances. We will not be responsible for the failure or refusal of anyone to honor Cards, Checks or other access devices that we supply to you. If a merchant or others who honor your Card agree to give you a refund or adjustment in connection with a Purchase or Cash Advance, then you agree to accept a credit to your Account in lieu of a refund in cash or otherwise. You agree to return for statement verification a record and/or your copy of each sales draft, credit voucher, cash advance draft, or automated teller machine receipt arising from an advance on your Account.

10. Access Device Termination. Any Cards or other access devices that we supply to you remain our property and must be returned to us or our agent immediately upon demand. If your Account is terminated for any reason, you must immediately follow our instructions for the return or destruction of all Cards and any other access devices that may have been issued. Any use of any Cards or other access devices following termination may be considered fraudulent. You will remain liable for any further use of Cards or other access devices notwithstanding termination should we honor advances by means of such Cards or other access devices.

11. Authorized User. The term "Authorized User" means: (i) in the case of a corporation, partnership, or limited liability entity, those individuals authorized and required to sign the Application, (ii) in the case of a sole proprietorship, the owner(s), or (iii) those other individuals designated in your Application as authorized to use Cards and obtain advances. Such Individuals must agree to execute other forms of signature identification as may be required by us.

12. Program Administrator. You agree that each individual who signed the Application (each an authorized “Program Administrator”) will actively manage this Account and any services obtained in connection with this Agreement. You agree and acknowledge that we may rely on all directions and information we receive from each Program Administrator regarding the Account and any services obtained under this Agreement. The Program Administrator’s responsibilities include the following: (i) making Authorized Users aware that advances from the Account are for business use only; (ii) ensuring timely payments; (iii) notifying us immediately, and confirming in writing within two (2) business days, if an Authorized User’s authority to generate advances on the Account has been or will be revoked (because of a termination of employment or for any other reason); (iv) using reasonable efforts to collect and dispose of Cards and other access devices from Authorized Users when authority to generate advances are revoked; and (v) at our request, notifying us of an Authorized User’s last known address and telephone number.

13. Statements. If you have a balance owing on your Account or have any account activity, we will send you a monthly billing statement (each a “Statement”) that will identify the merchant, electronic terminal or financial institution at which transactions were made, but sales, cash advance, credit or other slips cannot be returned with the Statement. You will retain the copy of such slips furnished at the time of the transaction in order to verify your Statement. We may charge a reasonable fee for any photocopies or slips you request. Your Statement will also show the balance of your Account at the beginning of the billing cycle (“Previous Balance”), any new advances, accrued periodic interest owed and other charges, payments made and other credits, and the balance outstanding on the closing date of the billing cycle (“New Balance”). Your Statement also will identify your Minimum Payment and the date it is due. If you think your Statement is wrong, or if you need more information about a transaction on your Statement, write to us (on a separate sheet) at the address listed on your Statement. In your letter, give us the following information:

- Your name and account number;
- The dollar amount of the suspected error; and
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

After we receive your letter, we will investigate your question. Within ninety (90) days we will either correct the error or send you a letter explaining why we believe your Statement was correct. We will provide you with photographic or other documentary evidence of each advance upon your reasonable request or upon proper written notice of a billing error.

14. Minimum Payment. Every month, you must pay at least the Minimum Payment by the Payment Due Date shown on your Statement. By separate agreement, you may authorize us to automatically transfer the Minimum Payment from your Credit Union share or share draft account. You may, of course, pay more frequently, pay more or pay the New Balance in full, and you will reduce your periodic FINANCE CHARGE by doing so. The Minimum Payment Due will be either: (a) 4% of your New Balance, or \$25, whichever is greater; or (b) your New Balance, if it is less than \$25.

In addition, you must pay any amount on your Statement listed as past due and any late charge. Lastly, at any time your New Balance exceeds your Credit Limit, you must pay the excess as well as any Overlimit Charge.

You understand and agree that any payment made by you will be applied in the following order: (a) unpaid periodic FINANCE CHARGE due on both purchases and cash advances; (b) outstanding principal balances of cash advances and purchases previously billed; (c) current cash advances and purchases; and (d) unpaid fees and charges, if any.

15. Account Records. The unpaid principal balance owing on your Account at any time may be evidenced by a record of the account in which we will make entries for each advance and such other debits and credits as will be appropriate in connection with your Account, or by our internal records, including daily computer reports. All such entries by us will be conclusive evidence of the amount owed absent manifest error. You agree that we may make adjustments to your Account from time to time as required to reflect corrections, such as if advances or credits are posted to the wrong account or in the wrong amount.

16. Finance Charge. In order to avoid a FINANCE CHARGE on purchases made since your last Statement date, you must pay the New Balance shown on your Statement within 25 days of the Statement closing date. Otherwise, a FINANCE CHARGE on purchases is calculated from the beginning of the next statement period on previously billed but unpaid purchases and on new purchases from the date they are posted to your Account. Cash advances are always subject to a FINANCE CHARGE from the date of the cash advance, or the first day of the billing cycle in which a cash advance is posted, whichever is later.

Separate average daily balances are calculated for purchases and cash advances. The FINANCE CHARGE is calculated by multiplying the average daily balances by a monthly periodic rate. To get each average daily balance, the daily balances for purchases and cash advances for the billing cycle are added and the totals are divided by the number of days in the cycle. To get the daily balance for cash advances, new cash advances are added to the day’s beginning balance and payments and credits are subtracted; however, new purchases are not added if you paid the New Balance for purchases on your last Statement by the end of the grace period or if you did not have a purchase balance on your last Statement. This determines your total periodic FINANCE CHARGES for the billing cycle. Actual periodic FINANCE CHARGES will be shown on your Statement. Fees are not included in the calculation of the average daily balance. FINANCE CHARGES will continue to accrue on your Account until what you owe under this Agreement is paid in full.

The following Variable Rate Disclosures apply to your Card:

a. Calculation of Annual Percentage Rate. Your ANNUAL PERCENTAGE RATE may increase or decrease during the term of this Agreement. Any such change will be based on an increase or decrease in the “Prime Rate,” rounded to the nearest 1/100 of 1%, as published in The Wall Street Journal (herein “Index”). In the event the Index ceases to be published, changes in the ANNUAL PERCENTAGE RATE will be related to a comparable Index.

Your ANNUAL PERCENTAGE RATE is determined by adding a margin to the Index in effect as of the last day of the billing cycle. Your initial ANNUAL PERCENTAGE RATE used in calculating the Monthly Periodic Rate and Monthly Periodic FINANCE CHARGE is disclosed on your letter. We may waive an increase in the ANNUAL PERCENTAGE RATE when such an increase can be made, but such waiver shall not be construed as a waiver of our right to increase the ANNUAL PERCENTAGE RATE at a future date when entitled to do so.

Your ANNUAL PERCENTAGE RATE is subject to change monthly on the first day following your Statement closing date. The Index in effect on the last day of the billing cycle shall be used to calculate the ANNUAL PERCENTAGE RATE change effective as of the first day of the next billing cycle. The maximum ANNUAL PERCENTAGE RATE during the term of this Agreement is 18%. If the ANNUAL PERCENTAGE RATE and Monthly Periodic Rate increase or decrease, the periodic FINANCE CHARGE will increase or decrease and the number of Minimum Monthly Payments required to pay the unpaid balance will be affected accordingly. Each change in the ANNUAL PERCENTAGE RATE and Monthly Periodic Rate will apply to any balance outstanding on the effective date of such change as well as to future purchases and Cash Advances.

b. Monthly Periodic Rate. The initial Monthly Periodic Rate used in calculating the Monthly Periodic FINANCE CHARGE is disclosed on your letter. The Monthly Periodic FINANCE CHARGE for each billing cycle will be calculated by applying the Average Daily Balance for your Account for the billing cycle by the Monthly Periodic Rate. The Monthly Periodic Rate is determined by dividing the ANNUAL PERCENTAGE RATE by 12 and will change when the ANNUAL PERCENTAGE RATE changes.

c. Cash Advance. You will be charged a cash advance fee of 2% of the amount advanced with a minimum charge of \$2. There is no grace period for cash advances.

For current ANNUAL PERCENTAGE RATE information on the Card, please contact Bay Federal Credit Union.

17. Payments. You agree to send payments on your Account, postage paid, to the payment address indicated on your Statement or as otherwise permitted or instructed by us. All payments must be made in good funds by check, money order, wire transfer, automatic transfer from your Bay Federal Credit Union Business checking account, or other instrument in U.S. Dollars. Though you need only pay the Minimum Payment, you understand that you have the right to repay your loan at any time without penalty. You also understand and agree that you will only be charged FINANCE CHARGES to the date you repay your entire loan. You may make larger payments without penalty and this may reduce the total amount of FINANCE CHARGES that you will repay. If you pay more than the Minimum Payment Due in any month and there is still a balance due, you must continue to make Minimum Payments in future months. Any partial payment of your loan will not advance your next payment due date(s). You understand and agree that any payment that (a) delays or (b) accelerates the repayment of your unpaid balance will (a) increase or (b) decrease your Monthly Periodic FINANCE CHARGE. You understand and agree that payments made at any other address than as specified by us may result in a delay in processing and/or crediting.

18. Payments by Automatic Transfer. If you request payment by automatic transfer, you understand and agree that no payment can or will be made if there are insufficient or uncollected funds in the designated sub-account to make the scheduled loan payment. Should this event occur, you understand and agree that you will not be released from making the payment. Any automatic transfer you have requested will remain in effect until you cancel it in writing or the Agreement is paid in full. We may cancel this service at our discretion.

19. Payments Marked "Paid in Full." We may accept checks, money orders, or other types of payment marked "payment in full" or using other language to indicate full satisfaction of any indebtedness, without being bound by such language or waiving any rights under this Agreement. Full satisfaction of indebtedness shall be accepted by us only in a written agreement, signed by one of our authorized representatives.

20. Default. You may be considered to be in default if: (a) you do not pay on time or in the proper amount; (b) you fail to adhere to any of the terms of this Agreement; (c) any representation or statement made or furnished to us by you or on your behalf is false or misleading either now or at the time made or furnished; (d) a material change occurs in your ownership or organizational structure (acknowledging that any change in ownership will be deemed material when ownership is closely held); (e) you liquidate or dissolve, or enter into any consolidation, merger, partnership, or joint venture; (f) you sell any assets except in the ordinary course of your business as now conducted, or sell, lease, assign or transfer any substantial part of your business or fixed assets or any property or other assets necessary for the continuance of your business as now conducted including, without limitation, the selling of any property or other assets accompanied by the leasing back of the same; (g) you cease doing business, become insolvent, a receiver is appointed for all or any part of your property, you make an assignment for the benefit of creditors, or any proceeding is commenced either by you or against you under any bankruptcy or insolvency laws or any other law or laws relating to debtors; (h) any guaranty of your indebtedness to us, whether related or unrelated to your Account, ceases to be in full force and effect or is declared to be null and void; or the validity or enforceability thereof is contested in a judicial proceeding; or any guarantor denies that he, she or it has any further liability under such guaranty; or any guarantor defaults in any provision of any guaranty, or any financial information provided by any guarantor is false or misleading; (i) you or any guarantor (whether on your Account or any unrelated amount owed to us by you) dies; if you are a sole proprietorship, the owner dies; if you are a partnership, any general or managing partner dies; if you are a corporation, any principal officer or ten percent (10%) or greater shareholder dies; if you are a limited liability company, any managing member dies; if you are any other form of business entity any person(s) directly or indirectly controlling ten percent (10%) or more of the ownership interests of such entity dies; (j) any creditor tries to take any of your property on or in which we have a lien or security interest, whether related or unrelated to your Account, including a garnishment of any of your accounts with us; (k) a judgment or judgments is entered against you or any guarantor(s) (whether on your Account or any unrelated amount owed to us by you) in the aggregate amount of \$250 or more that is not satisfied within thirty (30) days or stayed pending appeal; (l) an involuntary lien or liens is attached to any of your or any guarantor's assets or property (whether on your Account or any unrelated amount owed by you to us) and not satisfied within thirty (30) days or stayed pending appeal; (m) an adverse change occurs in your financial condition or applicable credit histories; (n) we in good faith deem you insecure; (o) you are in default under any agreement for borrowed money or any other material contract; or (p) any of the events described in this default section occurs with respect to any guarantor.

21. Our Rights Upon Default. Upon default, the entire unpaid principal balance of your Account and all accrued and unpaid interest thereon and all other sums owing, less any unearned refundable charges and subject to legal limits, will be immediately due and payable and you will immediately pay that amount and we may, but are not required to, immediately terminate or suspend making advances or otherwise extending any further credit to you under this Agreement. You understand and agree that you will be subject to FINANCE CHARGES (at the applicable Monthly Periodic Rate), late charges, overlimit fees and collection-related charges under the terms disclosed in this Agreement, until you repay your entire loan. We may hire or pay someone else to help collect your Account if you do not pay. You will pay us any collection costs incurred by us. This includes, subject to any limits under applicable law, our attorneys' fees and our legal expenses, including attorneys' fees and legal expenses for

bankruptcy proceedings, civil actions, arbitration proceedings, declaratory actions or other filings or proceedings, declaratory efforts to modify or vacate any automatic stay or injunction, appeals, and any anticipated post-judgment collection services. You will also pay any court costs, in addition to all other sums provided or allowed by law.

22. Termination (Other Than By Default). Upon thirty (30) days prior written notice ("Termination Notice") to you, we may terminate your Account and demand full payment for all advances thereunder, together with accrued interest thereon and all other amounts owing under the Account, less any unearned refundable charges and subject to legal limits. If we do so, we will not allow any further advances to you under this Agreement, and you agree to return or destroy any Cards or other access devices immediately. If a request for an advance is presented to us for payment after we terminate your Account and we process it for payment or you otherwise obtain an advance, you agree that we may add the amount of that advance to your outstanding Account balance. In no event will any termination relieve you of your obligation to repay sums already borrowed, FINANCE CHARGES, late charges and overlimit charges, if any. You may terminate your Account at any time by: (i) paying us in full the outstanding and unpaid principal balance plus accrued interest thereon, and all other sums due less any unearned charges and subject to legal limits; (ii) notifying us in writing that you are terminating your Account; and (iii) immediately returning or destroying all Cards, Checks or other access devices.

23. Security Interest; Right of Setoff. You grant to us a contractual possessory security interest in, and hereby assign, convey, deliver, pledge and transfer to us all your right, title and interest in and to your Bay Federal Credit Union Business checking account, your other accounts, if any, with us or any of our affiliates (whether savings, business checking account, money market, or some other account), including without limitation all accounts you may open in the future, but excluding all IRA, SEP, Keogh and certain trust accounts. You authorize us and each of our affiliates, to the extent permitted by applicable law, to charge or setoff all sums owing pursuant to the Agreement against any and all such accounts and, at our option, to administratively freeze all such accounts to allow us to protect our charge and setoff rights provided in this paragraph.

24. Collateral Requirement. If we require collateral for your Account, you agree to execute a security agreement and other documents that we deem reasonably necessary to perfect the security interest in the collateral. You authorize us to file financing statements naming you as debtor and describing the collateral.

25. Insurance Requirements. You may be required to obtain insurance acceptable to us on any physical collateral securing your Account. If required, you may obtain insurance through a company of your choice that is satisfactory to us. Subject to applicable law, if you fail to obtain or maintain the required insurance we may purchase insurance to protect our own interest and add the premium to your Account balance and/or declare your Account in default.

26. Financial Information and Reevaluation of Credit. You and each guarantor (if any) authorize us to obtain business and personal credit bureau reports in your and any guarantor's name, respectively, at any time and from time to time. You and each guarantor (if any) agree to submit current financial information, a new credit application, or both, in your name and in the name of each guarantor, respectively, at any time promptly upon our request. Based on our review of this information, we may at any time and from time to time, at our sole discretion and subject to any applicable notice requirements, increase or decrease your Credit Limit, increase or decrease your Margin and interest rate, or terminate this Agreement, as permitted by applicable law. We may report our credit experiences with you and any guarantor of your Account to third parties as permitted by law. You also agree that we may release information to comply with governmental reporting or legal process which we believe may be required, whether or not such is in fact required, or when necessary or helpful in completing a transaction, or when investigating a loss or potential loss. YOU ARE HEREBY NOTIFIED THAT A NEGATIVE CREDIT REPORT REFLECTING ON YOUR CREDIT RECORD MAY BE SUBMITTED TO A CREDIT REPORTING AGENCY IF YOU FAIL TO FULFILL THE CREDIT OBLIGATIONS HEREUNDER.

27. International Transactions. Purchases, Cash Advances, and credits made in foreign currencies will be billed to your Account in U.S. Dollars. The conversion to U.S. dollars will be made in accordance with the VISA® operating regulations for international transactions. In the event that an international transaction is converted to 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 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 conversion rate may be different than the rate on the day of the transaction or date of the posting of the Account. When a credit to the Account does not fully offset a charge to the Account due to changes in the rate, you are responsible for the difference.

28. Guaranty. Each Guarantor jointly, severally, and unconditionally guarantees payment of, and agrees to pay to our order upon demand, all present and future obligations at any time outstanding under your Account pursuant to this Agreement or any extension, renewal, or modification hereof. The obligations under this guaranty are independent, and each Guarantor agrees as follows: (i) we may obtain consumer credit reports on and provide information to others regarding such Guarantor; (ii) such Guarantor will pay all our expenses, including our attorneys' fees, that we incur in enforcing all obligations under this Agreement including this guaranty; and (iii) such Guarantor hereby grants us a security interest in all deposit accounts that such Guarantor may maintain with us or any of our affiliates (excluding IRA, Keogh, SEP and certain trust accounts). This is a guaranty of payment and performance and not of collection. To the extent permitted by law, each Guarantor waives: (a) any right to require us to proceed against any other person associated with the Account; (b) any right to require us to proceed against or exhaust any security held by us at any time or to pursue any other remedy before proceeding against such Guarantor (c) all notices of any kind or the lack of any notice, including, notice of any new or additional indebtedness, any modification of any obligation, or obligation or notice of any action or non-action on the part of you, us, any Guarantor or any other person; (d) any defense based upon an election of remedies by us; (e) any right or claim of right to cause a marshalling of your assets or of any Guarantor; (f) any invalidity, irregularity or unenforceability, in whole or in part, of this Agreement; (g) any right or claim of right to agree to any modification of any obligation and any modifications of any of your obligations relating to this Account by operation of law or by action of any court, whether pursuant to the Bankruptcy Act, or any other Federal or State debtor relief law; (h) any action, occurrence, event or matter consented to by such Guarantor; and (i) the benefits of any statutory or other provision limiting the liability of a surety to the extent of any conflict between the foregoing waivers and any waivers contained in this Agreement, provided that the waiver in each instance most expansive and beneficial to us will be deemed to control.

29. VISA® ACCOUNT UPDATER (“VAU”) SERVICE: In the event that the Credit Union issues to you a replacement or renewal of your Card, your Card Details (e.g., your VISA® account number, expiration date, and card verification value (CVV) security code) may change. Changes to your Card Details can lead to disruptions of recurring payment services and interruptions in the products/services you receive from merchants, subscription services, e-commerce merchants, or others who have your Card Details “on file” because, after the issuance of the replacement or renewal of your Card, the “on-file” information these merchants possess may no longer be accurate. In order to avoid these disruptions, VISA® has developed a service called the VISA® Account Updater (“VAU”) Service through which the Credit Union may provide your new Card Details to participating and qualifying merchants automatically. If you wish to opt-out from this Service, you must contact us by mail at the address on your statement or call us at 831.479.6000 or toll free at 888.4BAYFED before receiving the replacement or renewal of your Card.

30. Miscellaneous. Delay or Waiver of Enforcement. We may delay or waive the enforcement of any of our rights under this Agreement or applicable law, without losing the delayed or waived right or any other right. If we delay or waive any of our rights, we may enforce that right at any time in the future without advance notice. For example, not terminating your Account for non-payment will not constitute any waiver of our right to terminate your Account in the future if you have not paid as required by this Agreement.

31. Notices. Except as otherwise provided in this Agreement, notice under this Agreement must be in writing. Notices will be deemed given when deposited in the U.S. mail, postage prepaid, first class mail, when delivered in person, or when sent by registered mail, by certified mail, or by nationally recognized overnight courier. Notice to you will be sent to your last known address in our records for this Account, attention: Program Administrator. Notice to any of you will be deemed notice to all of you. Notice to us may be sent to: Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010. You agree to notify us immediately if you change your name, your address or other contact information or your employer, if there are any errors in your Statement, if you lose any access device or any access service or device is compromised, if any unauthorized person uses your Account or if any of you dies, is declared incompetent or is the subject of a bankruptcy or insolvency proceeding. You agree that a notice of incompetence is not effective unless issued by a court having jurisdiction and we receive notice and instruction from the court. Notwithstanding the above, we may, at our option, accept other evidence of incompetence acceptable to us, and you agree to indemnify and hold us harmless from and against any and all claims relating to acceptance or non-acceptance of proof of incompetence in any transaction. This indemnity will survive termination of your Account and this Agreement.

32. Unauthorized Use. You may be liable for the unauthorized use of the Card and/or the Account. You will not be liable for unauthorized use that occurs after you provide notification by calling 831.479.6000 or when we receive notice in writing at Bay Federal Credit Union, 3333 Clares Street, Capitola, CA 95010 of the loss, theft or possible unauthorized use. In any case, your liability for unauthorized use will not exceed \$50. Your liability may be lower in cases of VISA® Credit Card fraud in accordance with current VISA® U.S.A. Inc. Operating Regulations. Additionally, your liability with respect to unauthorized transactions may be greater than the above limit, to the extent allowed under applicable law, if we reasonably determine based on substantial evidence that you or your authorized cardholders were grossly negligent or fraudulent in the handling of your account, card or other access devices.

33. Lost or Stolen Card Notification. If you believe that your credit card has been lost or stolen, or if you believe someone is using your Card without your permission, immediately notify the Credit Union by calling 831.479.6000. On weekends, holidays or after Credit Union business hours, please call 866.883.4414.

You will not be liable for unauthorized use that occurs after you notify the Credit Union of the loss, theft, or possible unauthorized use of the Card. You agree to cooperate fully in any investigation the Credit Union may conduct in connection with the loss, theft or possible unauthorized use of your card.

34. Merchant Disputes. The Credit Union is not responsible for the refusal of any merchant or financial institution to honor the Card. The Credit Union is subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the Card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider, and (a) your purchase was made in response to an advertisement the Credit Union sent or participated in sending to you; or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

35. Waiver of Notices and Other Terms. Except for any notices provided for in this Agreement, you and any person who have obligations pursuant to this Agreement (e.g., a guarantor), to the extent not prohibited by applicable law, hereby waive demand, notice of nonpayment, notice of intention to accelerate, notice of acceleration, presentment, protest, notice of dishonor, and notice of protest. To the extent permitted by applicable law, you and any person who have obligations pursuant to this Agreement also agree: we are not required to file suit, show diligence in collection against you or any person who have obligations pursuant to this Agreement, or proceed against any collateral; we may, but will not be obligated to, substitute, exchange or release any collateral; we may release any collateral, or fail to realize upon or perfect our security interest in any collateral; we may, but will not be obligated to, sue one or more persons without joining or suing others; and we may modify, renew, or extend this Agreement (repeatedly and for any length of time without notice to or approval by any person who has obligations pursuant to this Agreement (other than the party with whom the modification, renewal or extension is made).

36. Tax Consequences. You understand that neither we, nor any of our employees or representatives, make any representation of warranty whatsoever concerning the tax consequences of your establishing and using your Account, including the deductibility of interest and that neither we, nor any of our employees or representatives will be liable in the event interest on your Account is not deductible. You should consult your own tax advisor for guidance on this subject.

37. Transfer and Assignment. Without prior notice or approval by you, we reserve the right to sell or transfer all or any portion of our interest in this Agreement to another lender, entity or person. Your rights and obligations under this Agreement belong solely to you and may not be transferred or assigned by you. Your obligations however, are nonetheless binding upon you and your heirs, legal representative, successors, and assigns.

38. Governing Law. This Agreement is entered into and will be performed in California and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the internal laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary. You agree to submit to the personal jurisdiction of the courts of the State of California.

39. Interpretation. The headings given to paragraphs or sections in the Agreement are for convenience of reference only. They are not to be used to interpret or define the provisions of this Agreement. This Agreement is the best evidence of your agreement with us. If a court responsible for interpreting the Agreement finds that any provision of this Agreement is not valid or should not be enforced, that fact by itself will not mean that the rest of the Agreement will not be valid and enforced and, to the extent permitted by law, the rest of the Agreement is therefore binding, valid and enforceable. If you or we go to court or otherwise seek to enforce the Agreement, we may, to the extent permitted by law, use a copy, filmed or electronic, of any periodic statement, the Agreement or any other document to prove what you owe us or that a transaction has taken place. The copy of the microfilm, microfiche, or optical image will have the same validity as the original. You agree that, except to the extent you can show there is a manifest billing error, our most current Statement, if any, is the best evidence of your obligation to pay.

40. Future Service. The Application for this Account also serves as a request to receive offers of any related new services (such as access devices) which may be available from us at some future time and for which we consider you to be eligible in our sole discretion, reasonably exercised. You understand that this request is voluntary and that you may refuse any of these new services at the time they are offered. You further understand that the terms and conditions of this Agreement, together with any specific terms covering the new service, will govern any transactions made pursuant to any of these new services.

41. Change In Terms. This Agreement is the contract which applies to all transactions on the Account even though the sales, cash advance, credit or other slips you sign or receive may contain different terms. You understand and agree that we may amend, modify, add to, or delete from this Agreement any of its terms and conditions, including the method of application and the amount of FINANCE CHARGE, effective as to any unpaid balance outstanding and any subsequent advance, by mailing a notice of the change to you at your last known address. You also understand that any such notice will be mailed at least fifteen (15) days prior to the effective date of the change or as required by federal or other law. Notice of a change in terms is required, but may be sent as late as the effective date of the change where the change has been agreed to, in writing, by you.

42. Monitoring and Recording Communications. In order to ensure a high quality of service for our cardholders, we may monitor and/or record telephone calls between you and our employees. You acknowledge that we may do so and agree in advance to any such monitoring or recording of telephone calls.

NOTICE: THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENT OF THE PARTIES. THERE ARE NO UNWRITTEN OR ORAL AGREEMENTS BETWEEN THE PARTIES.

43. Acknowledgment. You acknowledge having read and understood all the provisions of this Agreement. You agree to the terms of this Agreement, unless we are notified otherwise in writing prior to the first advance that includes your signature or the signature of an Authorized User or any use of your Card (by you or an Authorized User), whichever occurs first. You agree to sign and, if appropriate have Authorized Users sign, in the space provided for authorized signatures on your Card, prior to any use of your Card.

44. Signatures. Your signature (including any electronic or digital signature) on any Application, or any other document required by us in connection with this Agreement and your Account (such as any personal guarantees or security agreements) are hereby incorporated into and made a part of this Agreement.

45. Membership Requirement. You understand and agree that the business must be and remain a member in good standing with us to be eligible for continuing Account and/or Card privileges including future purchases and advances. You understand and agree that we may suspend the Account and/or Card privileges during any period in which the business does not maintain its membership with us.

46. Transfer of Account. You cannot transfer or assign your account to any other person.

47. Returned Payment Fee. If a payment that was applied to my Account is returned to you unpaid for any reason, I will be charged a Returned Payment Fee of \$28. This fee will also apply to any payments made by automatic transfer that cannot be posted due to insufficient funds in my regular share or checking account. However, the Returned Payment Fee will not exceed the Minimum Payment Due on the last Payment Due Date before the payment is returned.

48. Cash Advance Fee. For each Cash Advance, a Cash Advance Fee of either \$2 or 2% of the amount of the Cash Advance will be charged, whichever is greater.

49. Late Payment Fee. I will be charged a Late Payment Fee of up to \$39 as follows: If you do not receive the minimum Payment Due by the Payment Due Date, the fee is \$28. If I make another late payment within the next 6 billing periods, the Late Payment Fee is \$39. However, the Late Payment Fee will not exceed the Minimum Payment Due.

50. Rush Card Fee. I will be charged a Rush Card Fee of \$30 per card for expedited delivery.

51. Document Fee. If a copy of any periodic statement, sales draft or similar document is provided by you at my request (other than in connection with a billing error inquiry), a Document Fee of \$12 may be imposed by you on my Account. This fee will not be assessed, however, if it was requested in connection with a Billing Error.

Your Billing Rights: Keep this Notice 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, you must write to us at:

Bay Federal Credit Union
3333 Clares Street
Capitola, CA 95010

In your letter, you must 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, you must 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:

1. *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.
2. *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 have fully paid for the purchase.

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

Bay Federal Credit Union
3333 Clares Street
Capitola, CA 95010

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.

