

**ALLEGACY FINANCIAL® FEDERAL CREDIT UNION**

P.O. Box 26043, Winston-Salem, NC 27114-6043

336.774.3400 800.782.4670

**BUSINESS CREDIT CARD AGREEMENT AND DISCLOSURE (“AGREEMENT”)**

By applying for a Business Credit Card Account (“Account”) or by using or consenting to the use of your Account or the Business Credit Card (“Card”) issued in connection herewith, it is agreed:

*TERMINOLOGY.* The words “you” and “your” in this Agreement refer to you. The term “Credit Union” refers to Allegacy Financial Federal Credit Union, the card issuer, whose address is P.O. Box 26043, Winston-Salem, NC 27114-6043. The term “Company” refers to your employer.

**THE FOLLOWING TERMS AND CONDITIONS APPLY ONLY TO VISA IF IT IS A VARIABLE RATE:**

**FINANCE CHARGE:** If your rate plan is Variable Rate Plan 1, you agree to pay the interest, or a FINANCE CHARGE, at an ANNUAL PERCENTAGE RATE of “Prime Rate” plus 8.5% based on the “Daily Periodic Rate” (including current transactions) outstanding in your Account on the Closing Day of the Billing Cycle. Your interest rate for each billing cycle will be determined by the highest “Prime Rate” published under the “Money Rates” section of The Wall Street Journal, Eastern Edition, on the 4th Monday (or the next business day if such Monday is a North Carolina banking holiday) of the preceding month. Your ANNUAL PERCENTAGE RATE (and your Daily Periodic Rate) may increase if the “Prime Rate” increases; however, your ANNUAL PERCENTAGE RATE shall not exceed the highest rate allowed by law, or 18% (Daily Periodic Rate .049315%). An increase in the annual percentage rate will result in an increase in the amount of your monthly payment, and may result in an increase in the number of monthly payments required to pay the balance in your Account.

If your rate plan is Variable Rate Plan 2, you agree to pay the interest, or a FINANCE CHARGE, at an ANNUAL PERCENTAGE RATE of “Prime Rate” plus 10.0% based on the “Daily Periodic Rate” (including current transactions) outstanding in your Account on the Closing Day of the Billing Cycle. Your interest rate for each billing cycle will be determined by the highest “Prime Rate” published under the “Money Rates” section of The Wall Street Journal, Eastern Edition, on the 4th Monday (or the next business day if such Monday is a North Carolina banking holiday) of the preceding month. Your ANNUAL PERCENTAGE RATE (and your Daily Periodic Rate) may increase if the “Prime Rate” increases; however, your ANNUAL PERCENTAGE RATE shall not exceed the highest rate allowed by law, or 18% (Daily Periodic Rate .049315%). An increase in the annual percentage rate will result in an increase in the amount of your monthly payment, and may result in an increase in the number of monthly payments required to pay the balance in your Account.

For both Variable Rate Plans, Interest, or FINANCE CHARGE, will begin to accrue on each purchase and cash advance as of the posting date. You may prepay your Account balance in full or in part at any time without penalty. No FINANCE CHARGE will be imposed in connection with any purchase if your Account is paid in full by the PAYMENT DUE DATE shown on the periodic statement on which such purchase is first shown. There is no time period within which a cash advance may be repaid without incurring a FINANCE CHARGE. The Credit Union figures the FINANCE CHARGE on your Account balance by applying the beginning balance of your Account each day (excluding any unpaid FINANCE CHARGES and LATE CHARGES), adds any new purchases and cash advances and subtracts any PAYMENTS, CREDITS and new LATE CHARGES. This gives the Credit Union the daily balance. Then, the Credit Union adds up all of the daily balances for the billing cycle and divides that total by the number of days in the billing cycle. This gives the Credit Union the “AVERAGE DAILY BALANCE.” The FINANCE CHARGE is determined for each billing cycle by multiplying the “AVERAGE DAILY BALANCE” by the Monthly Periodic Rate.

**THE FOLLOWING TERMS AND CONDITIONS APPLY ONLY TO VISA IF IT IS A FIXED RATE:**

**FINANCE CHARGE:** If your rate plan is Fixed, you agree to pay the interest, or a FINANCE CHARGE, based upon the “Daily Periodic Rate” (including current transactions) outstanding in your Account at a monthly periodic rate of 1.075%, which is corresponding ANNUAL PERCENTAGE RATE of 12.9%.

Interest, or FINANCE CHARGE, will begin to accrue on each purchase and cash advance as of the posting date. You may prepay your Account balance in full or in part at any time without penalty. No FINANCE CHARGE will be imposed in connection with any purchase if your Account is paid in full by the PAYMENT DUE DATE shown on the periodic statement on which such purchase is first shown. There is no time period within which a cash advance may be repaid without incurring a FINANCE CHARGE. The Credit Union figures the FINANCE CHARGE on your Account balance by applying the beginning balance of your Account each day (excluding any unpaid FINANCE CHARGES and LATE CHARGES), adds any new purchases and cash advances and subtracts any PAYMENTS, CREDITS and new LATE CHARGES. This gives the Credit Union the daily balance. Then, the Credit Union adds up all of the daily balances for the billing cycle and divides that total by the number of days in the billing cycle. This gives the Credit Union the “AVERAGE DAILY BALANCE.” The FINANCE CHARGE is determined for each billing cycle by multiplying the “AVERAGE DAILY BALANCE” by the Monthly Periodic Rate.

**THE FOLLOWING TERMS AND CONDITIONS APPLY TO BOTH VARIABLE AND FIXED RATE VISA ACCOUNTS:**

**CREDIT LIMIT.** If you are approved for an Account, the Credit Union will establish a line of credit for you and notify you of your credit limit. You agree that your credit limit is the maximum amount (purchases, cash advances, finance charges, plus “other charges”) that you will have outstanding on your Account at any time. If you are over your credit limit, you must pay the amount you are over before payments will begin to restore your credit limit. You may request an increase in your credit limit only by a method acceptable to the Credit Union. The Credit Union has the right to reduce your credit limit, refuse to make an advance and/or terminate your Account at any time for any reason not prohibited by law.

**COMPANY RELATIONSHIP.** You agree to use the Card only for business purposes in accordance with Company policy. You also agree that you will not resell or return for a cash refund any PURCHASES obtained with the Card. No other person is permitted to use your Card for PURCHASES, CASH ADVANCES or other purposes. You are responsible for all PURCHASES AND CASH ADVANCES billed to your Account. All business PURCHASES and CASH ADVANCES are to be reported to the Company for expense report processing in accordance with Company policy. All business PURCHASES AND CASH ADVANCES billed to the card which are reimbursable by the Company will be paid by you or directly by the Company under the Company expense procedures applicable to you. If the Business Card Program between the Credit Union and the Company is terminated, or if your employment with the Company is terminated, your rights under this Agreement, and your rights to use the Card, will also terminate and you agree to return all Cards to the Credit Union within five (5) business days.

**AGREEMENT TO REPAY.** You agree to pay the Credit Union the total amount of all credit extended by it through your Account, whether as a CASH ADVANCE or PURCHASE, and whether by use of the Card or any other credit method or device (including checks, drafts and electronic fund transfers), plus interest and OTHER CHARGES listed below. Each month you agree to pay the Credit Union the minimum payment on your Account as shown on your periodic statement. Such payment is due immediately upon receipt of your periodic statement. You must pay the Credit Union in U.S. currency, with a draft or check drawn on an U.S. bank and payable in U.S. dollars or with a negotiable instrument payable in U.S. dollars and cleared through the U.S. banking system. If the Credit Union decides to accept PAYMENT made in some other form, your PAYMENT will not be credited until it is converted into one of the forms described above. The Credit Union may charge you any cost incurred in converting your PAYMENT.

**OTHER CHARGES.** In addition to the FINANCE CHARGE, you agree to pay the following charges: (1) a Late Charge fee may be imposed for any payment which is past due that is not made by the due date; (2) A “Returned item fee” for each check, draft or money order returned to Allegacy Financial for insufficient funds or for any other reason; (3) Reimbursement to Allegacy Financial for any transaction fee on purchases or cash advances imposed by others in connection with the use or misuse of the Card or your Account, or the processing of a returned item; (4) A plastic card replacement fee for the replacement of a card; (5) The Credit Union’s reasonable and customary charges for special services such as check copies or the use of the Credit Union’s Automated Teller Machines; (6) Reimbursement to the Credit Union for any documentary stamp or other tax imposed in connection with the use of the Card or any cash advance from your Account and (7) A “Cash Advance fee” (including Convenience Checks and Balance Transfers); and (8) An annual fee for the Account and the availability of a Card. The details of the aforementioned fees are listed in the Fee Schedule (“Schedule”), which is incorporated herein. The Schedule may change at any time. Find the most recent Schedule at Allegacy.org, visit your local financial center or call 336.774.3400.

**CREDIT BALANCES.** Any credit balance that occurs in your Account during the billing cycle will be reflected in your periodic statement.

**STATUTORY LIEN.** Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and, all deposits and interest, if any, in all Accounts you have with us now and in the future. If you pledge a specific dollar amount in your Account for a loan, we will freeze the funds in your Account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged Account(s) may be withdrawn unless you are in default. Federal or state law, depending on whether we have a federal or state charter, gives us a lien on all shares and dividends and all deposits and interest, if any, in Accounts you have with us now and in the future. Except as limited by state or federal law, the statutory lien gives us the right to apply the balance of all your Accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you. Your pledge and our statutory lien rights will allow us to apply the funds in your

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Account to what you owe when you are in default, except as limited by state or federal law. If we do not apply the funds in your Account(s) to satisfy your obligation, we may place an administrative freeze on your Account(s) in order to protect our statutory lien rights and may apply the funds in your Account(s) to the amount you owe us at a later time. The statutory lien and your pledge does not apply to any Individual Retirement Account or any other Account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply funds in your Account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

**DEFAULT.** If you fail to pay the minimum payment by the PAYMENT DUE DATE shown on any periodic statement; if you fail to make any other PAYMENT on your Account by the date it is due; if you are in default on any other obligation to the Credit Union; if a bankruptcy or other insolvency petition is filed by you or against you; if you die; if any financial information provided by you to the Credit Union is determined to be false or misleading; or if you exceed your CREDIT LIMIT of fail to comply with any other provision of the Agreement; or if the Credit Union reasonably believes that the prospect of repayment is impaired, then the Credit Union may cancel your credit privileges or may declare you to be in default under the agreement, whereupon all amounts due to the Credit Union shall immediately become due and payable. If suit is brought against you to recover any amount, you agree to pay all costs of collection, including reasonable attorney's fees.

**LIABILITY FOR USE OF CARD.** You agree to notify the Credit Union immediately if your Card is lost or stolen or if you suspect it is being used without your permission. You will not be liable for unauthorized use that occurs after you notify the Credit Union orally or in writing, of the loss, theft or possible misuse of the Card. Call 800.449.7728, or write to the Credit Card Processing PO Box 31112, Tampa FL 33631-31126. In any case, your liability will not exceed \$50.00.

**FOREIGN TRANSACTIONS.** Purchases and cash withdrawals 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 of 2.00% of the amount of the transaction, calculated in U.S. dollars, will be imposed on all foreign transactions, including purchases, cash withdrawals 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. Transactions completed by merchants outside of the United States are considered foreign transactions, regardless of whether you are located inside or outside the United States at the time of the transaction.

**ILLEGAL ACTIVITIES AND CARD USE.** You agree not to use your Card or Account to engage in activities deemed illegal by federal and/or state laws, including, but not limited to internet gambling. If you use your Card or Account to engage in certain activities deemed illegal by federal and/or state laws, you understand that you will nevertheless be liable for any resulting advance made by the use of your Card or Account.

**OTHER AGREEMENTS.** This Agreement, together with any electronic funds transfer agreement, or any other agreement or condition applicable to the use of the Card (including any agreement or condition appearing on the Card, any sales slip, any cash advance slip, or any other credit device or credit check) shall also constitute a part of your agreement with the Credit Union regarding your Account. You consent to the assignment to the Credit Union of indebtedness to merchants or others arising through the use of the Card.

**CHANGE OF TERMS AND CANCELLATION.** The Credit Union may change the terms of this agreement at any time, and from time to time, upon thirty days prior written notice of such changes. All such changes shall apply to any balances outstanding in your Account on the effective date of the change. You, or the Credit Union, may cancel this Agreement at any time. Upon cancellation other than for default, you must pay any balance in your Account according to the terms of your Agreement, and must surrender to the Credit Union all Cards, checks or other credit devices applicable to your Account.

**MISCELLANEOUS.** This agreement and all other agreements applicable to your Account shall be governed by and construed in accordance with the laws of the State of North Carolina and applicable federal law. The Credit Union may delay or forbear in the exercise of any right or privilege due it hereunder without waiving any such right or privilege. You agree to notify the Credit Union immediately of any change in address and you authorize your employer to release to the Credit Union any information as to your whereabouts and to provide any current address or telephone number it might have for you and to advise the Credit Union of any known or anticipated termination of your employment. You also authorize the Credit Union to share with the Company any information about your Account including, but not limited to, information about any delinquency or cancellation by the Credit Union of your privileges. The Credit Union may accept any check or draft marked "payment in full" (or similar words) without losing any right to collect any balances otherwise due.

### **YOUR BILLING RIGHTS – KEEP THIS NOTICE FOR FUTURE USE.**

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

#### **Notify Us in Case of Errors or Questions About Your Statement.**

If you think your bill is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

Your name and account number.

The dollar amount of the suspected error.

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. If you have authorized us to pay your credit card account automatically from your share or share draft account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

#### **Your Rights and Our Responsibilities After We Receive Your Written Notice.**

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the statement was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to send statements to you for the full amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your statement that are not in question.

If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any questioned amount. If we did not make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can not collect the first \$50.00 of the questioned amount, even if your statement was correct.

#### **Special Rule for Credit Card Purchases.**

If you have a problem with the quality of property or services that you purchased with a 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 property or services. There are two limitations on this right:

- (a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and
- (b) The purchase price must have been more than \$50.00

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.