

SOUTHWEST HERITAGE CREDIT UNION

BUSINESS MASTERCARD® AGREEMENT

WHAT THIS AGREEMENT COVERS: This Agreement governs the MasterCard® business credit cards issued for use in connection with Southwest Heritage Credit Union business credit card account (“Account”). This Agreement and Company’s Account are subject to the Texas Credit Union Act as set forth in Title 3, Subtitle “D” of the Texas Finance Code.

TERMS USED IN THIS AGREEMENT: In this Agreement, “Company” means the person, company, partnership, association, or other entity for which an Account is established. “Authorized Officer” means (a) for a sole proprietorship, the Company owner, (b) for a partnership, the managing partner, (c) for a corporation, the Company president, and (d) for all other entities, the person authorized by Company to request that the Account be established for Company and that Card(s) be issued (or the first person on the application if more than one person signs the application), and includes any successor to that person that Company designates. “Cardholder” means any employee, partner, owner, member, or officer of Company for whom Company has requested, and to whom we have issued a Card, and “Cardholders” means all such persons. The words “we,” “our,” “us,” and “Credit Union” mean Southwest Heritage Credit Union, the issuer of the Card, and its successors or assigns. “The Card” means any credit card issued to Company or to anyone designated by Company under the terms of this Agreement. “Use of the Card” means any procedure used by Company, or by someone authorized by Company or a Cardholder, to make a purchase or obtain a cash advance whether or not the purchase or advance is evidenced by a signed written document. “Unauthorized use of the Card” means the use of the Card by someone who does not have actual, implied, or apparent authority from Company for such use, and from which Company receives no benefit. In this Agreement, any plural terms shall be deemed singular, and any singular terms shall be deemed plural when context and construction so require.

EXTENSION OF CREDIT: If Company’s application is approved, we may, at our discretion, establish the Account in Company’s name and cause one or more Cards to be issued to Cardholders as designated by Company. In such event, Company authorizes us to pay for all items for the Account reflecting credit purchases and cash advances (including balance transfers) obtained by Cardholders through use of the Card. Only Cardholders or persons authorized by them may use the Card or the Account for a purpose not prohibited by this Agreement. Credit obtained pursuant to this Agreement is for the benefit of Company and constitutes a financial accommodation to Company and Cardholders. If Company wants to end a Cardholder’s privileges, Company must notify us in writing and return the Cardholder's Card if requested.

OTHERS USING COMPANY’S ACCOUNT: In the event that Company or a Cardholder allows anyone other than a Cardholder to use the Account, Company, the Authorized Officer, and each Cardholder will be jointly and severally liable for all credit extended to such persons. Company, the Authorized Officer, and all Cardholders promise to pay for all purchases and cash advances made by anyone Company or a Cardholder authorizes to use the Account, whether or

not Company or a Cardholder notifies us of such use. If we determine that anyone other than a Cardholder or another authorized person is using the Account, we may suspend all further use of the Account and terminate this Agreement.

BUSINESS PURPOSE; PURCHASES AND CASH ADVANCES: All transactions on the Account must be for Company's business purposes only and within the scope of the Cardholders' employment or Company responsibilities. In no event may the Account be used for any other purposes, including without limitation, Cardholders' personal, family, or household purposes. Company agrees to notify Cardholders of this business purpose restriction and to adopt and enforce policies and controls to ensure that the Card and the Account are used strictly for Company's business purposes. We may permit Cardholders to obtain cash advances by presenting the Card at participating MasterCard member offices or by use of an Automated Teller Machine ("ATM"). We may disable the cash advance feature at any time without notice. We are not liable for the refusal of any merchant to accept or honor the Card for any reason, including a Cardholder's inability to obtain an authorization for any purchase, nor are we liable for any failure to complete a transaction at an ATM for any reason, including any such failure due to our having disabled the cash advances feature.

COMPANY CREDIT LIMIT: Company promises that purchases and other advances made for the Account resulting from use of the Card will at no time cause the outstanding balance in the Account to exceed Company's credit limit as established and adjusted by us from time to time in our sole discretion. The Company credit limit will appear on the periodic statement we send to Company. If Company exceeds the Company credit limit, we are not obligated to extend additional credit on the Account, but if we do, Company agrees to pay us immediately the amount in excess of the Company credit limit, plus finance charges and other applicable fees and charges.

PROMISE TO PAY: Company, the Authorized Officer, and all Cardholders are jointly and severally liable for all amounts owing on the Account and promise to pay us for all purchases, cash advances, finance charges and all other fees and charges charged to or accrued on Company's Account under the terms of this Agreement. At the end of each monthly billing cycle, Company will be furnished with a periodic statement showing (i) the "Previous Balance" (the outstanding balance in the Account at the beginning of the billing cycle), (ii) an itemization of all cash advances, purchases, finance charges, and other charges posted to Company's Account during the billing cycle, (iii) the amount of all payments and credits posted to Company's Account during the billing cycle, and (iv) the "New Balance" which is the sum of (i) and (ii) less (iii).

Company agrees to pay on or before the "Payment Due Date" shown on the periodic statement either the entire New Balance or a minimum payment equal to 3% of the New Balance or \$18, whichever is greater, plus current fees and finance charges, plus any amount in excess of the credit limit established by us and any past due minimum payments. If the New Balance is \$25 or less, Company agrees to pay in full. Company's minimum payment may be rounded to the next highest dollar amount. Company may make extra payments in advance of the due date without penalty, and repay any funds advanced, credit extended, or amount outstanding at any time without penalty for early payment. Regardless of the amount of any extra payments made during a given month, a monthly payment will be required the following month if a balance remains on Company's Account.

COST OF CREDIT: Company will pay a finance charge for all advances made against the Account at a monthly periodic rate of 1.2492%, which corresponds to an annual percentage rate of 14.99% (the “Standard Rate”). Cash advances and balance transfers incur a finance charge from the date they are posted to the Account. New purchases will not incur a finance charge on the date they are posted to the Account if Company has paid the Account in full by the Payment Due Date shown on Company’s previous monthly statement or if there was no previous balance. The Payment Due Date will be not less than 25 days from the billing cycle closing date shown on Company’s statement. No additional finance charge will be imposed on purchases whenever Company pays the Account in full on or before the Payment Due Date. There is a minimum finance charge of \$2 for each statement period in which a finance charge is due.

The periodic rate and corresponding annual percentage rate for all advances are based on certain creditworthiness criteria. In connection with evaluating Company’s application for an Account and from time to time in the future after Company’s Account has been opened, we may review the creditworthiness of the Authorized Officer and adjust Company’s periodic rate and corresponding annual percentage rate for all advances by notifying Company.

If at any time the Account is two billing cycles or more past due, the periodic rate and corresponding annual percentage rate on the Account for all advances will increase to a Penalty Rate monthly periodic rate of 1.4792%, which corresponds to an annual percentage rate of 17.75%. The Penalty Rate may be adjusted to Company’s Standard Rate after payments have been made as required for three consecutive billing periods.

A portion of the finance charge is determined by applying the applicable periodic rate to the Average Daily Balance of Company’s Account for each feature category, including certain current transactions. Feature categories include purchases, balance transfers, and cash advances. The Average Daily Balance is arrived at by taking the beginning balance of each feature category each day and adding any new category transactions to the balance, except if Company has paid the Account in full by the Payment Due Date shown on the previous monthly statement or there is no previous balance, new purchases are not added to the Purchases feature category balance. Balance transfers may be shown on Company’s statement in the Promotions feature category.

When determining balances, we may combine feature category balances that have the same periodic rate and other finance charge terms. We then subtract any payments or credits and unpaid finance charges allocated to the feature category balance for the day. This gives us the daily balance for the feature category. The daily balances for each feature category are then added together and divided by the number of days in the billing cycle. The result is the Average Daily Balance for each feature category. The periodic finance charge is determined by multiplying each feature category Average Daily Balance by the applicable Monthly Periodic Rate. The total finance charge for each statement period is the sum of the periodic finance charges for each feature category plus any non-periodic finance charges.

OTHER CHARGES: **Late Payment Fees and Returned Payment Fees** will be added to the balance of Company’s Account and treated as a purchase.

ATM Fee: If Company obtains a cash advance by using an Automated Teller Machine or otherwise, Company may be charged a fee imposed by the owner or operator of the machine or by the disbursing financial institution.

Late Payment Fee: If at least the required minimum payment as indicated on the periodic statement is not received by us within 10 days of the Payment Due Date, Company will be charged a Late Payment Fee **equal to** the greater of 5% of the payment or \$25.

Cash Advance Fee: For cash advances, there is a Cash Advance Fee finance charge of 1% of the cash advance amount.

Returned Payment Fee: If any payment Company sends to us is returned unpaid for any reason, we may charge and Company agrees to pay a returned payment fee of \$25. We may charge this fee upon each occurrence of a returned payment, even if subsequent attempts to clear the item or payment order are successful.

ADDITIONAL SECURITY: If Company, the Authorized Officer, or any Cardholder has other loans with us, now or in the future, collateral securing those loans may also secure Company's and Cardholders' obligations under this Agreement.

CREDITING OF PAYMENTS: We do not charge for payments made by regular mail service or other standard payment methods we accept. If we charge a fee for any expedited payment service we offer, that fee will be disclosed at the time Company requests the service. All payments made on the Account at the address designated for payment on the monthly periodic statement will be credited to Company's Account on the date of receipt. If the date of receipt is not a business day, Company's payment will be credited on the first business day following receipt. All payments on the Account will be applied first to collection costs, then to any finance charge and other fees due, and then to the unpaid principal balance. Interest paid or agreed to be paid shall not exceed the maximum amount permissible under applicable law, and in any contingency whatsoever, if we shall receive anything of value deemed interest under applicable law which would exceed the maximum amount of interest permissible under applicable law, the excessive interest shall be applied to the reduction of the unpaid principal amount or refunded to Company.

DEFAULT: Company will be in default: (1) if Company fails to make any payment on time; (2) if Company, the Authorized Officer, or any Cardholder fails to keep any promises made under this or any other Agreement with us; (3) if Company, the Authorized Officer, or any Cardholder is the subject of an order for relief under Title 11 of the U.S. Code (Bankruptcy); (4) if anyone tries, by legal process, to take any of Company's money in the Credit Union; (5) if Company, the Authorized Officer, or any Cardholder has given us false or inaccurate information in obtaining a Card; or (6) if anything happens which we reasonably believe endangers Company's ability to repay what Company owes.

ACCELERATION: If Company is in default, we may, without prior notice to Company or any Cardholder, call any amounts Company still owes immediately due and payable plus finance charges which shall continue to accrue until the entire amount is paid. Company and Cardholders waive any right to notice or demand, including but not limited to, demand upon default, notice of intention to accelerate, and notice of acceleration.

LIABILITY FOR UNAUTHORIZED USE: Company and Cardholders may be liable for the unauthorized use of any Company Card. Company and Cardholders will not be liable for any unauthorized use of a Card occurring after our designee FISGlobal is notified in writing at P.O. Box 34095, Tampa, FL or by calling (727) 570-4881 of the loss, theft, or unauthorized use of Company's Card and we have received and have had a reasonable time to act on any such

notification. If fewer than ten cards are issued to Company, then Company's liability for unauthorized use will not exceed \$50. Otherwise, Company and Cardholders will be liable for all unauthorized use of any Company Card unless liability is limited by the MasterCard liability limitation rules **or by applicable law**. For non-PIN based transactions with a MasterCard, Company and Cardholders will not be liable once we have been notified of the unauthorized use and if Company meets the following conditions: (1) Company and Cardholders have exercised reasonable care in safeguarding the Card from unauthorized use, (2) Company has not reported two or more incidents of unauthorized Card use within the previous 12 months, and (3) Company has maintained its Account in good standing. If Company does not meet these conditions and the unauthorized use involves a non-PIN based transaction, then Company and Cardholders will not be liable for more than \$50. In no event shall any employee Cardholder be individually liable to Company or the Credit Union for more than \$50 for any unauthorized use of a Card by someone other than the employee.

LIABILITY IN THE EVENT OF CARDHOLDER TERMINATION OF

EMPLOYMENT: In the event that a Cardholder's employment or other association with Company terminates (whether voluntarily or involuntarily) or Cardholder gives to Company or receives from Company notification of immediate or pending termination of employment or other association with Company (a "Cardholder Termination Event"), Company must immediately (a) notify us of such Cardholder Termination Event, and (b) use all reasonable efforts to collect and destroy the Card and provide written verification to us of such destruction or of Company's inability to collect and destroy the Card. Company and Cardholder shall be jointly and severally liable for the amount of any Cardholder transactions on the Account after the occurrence of any Cardholder Termination Event together with any applicable finance charges and other applicable fees and charges until Company complies with all of the requirements of this paragraph and we have a reasonable opportunity to revoke Cardholder's ability to use the Card and the Account. Upon the termination of the Authorized Officer or if for any reason Company desires to change the Authorized Officer on the Account, Company shall promptly notify us and shall submit a new application for the Account or other documentation required by us and signed by the new Authorized Officer.

CREDIT INVESTIGATION: In conjunction with Company's application for credit and, if approved, maintenance of the Account, Company agrees that we have the right to investigate the Company's credit history, to verify Company's credit references, to request and use credit reports, and to report the way Company pays the Account to credit bureaus and other interested parties.

The Authorized Officer consents to our (i) investigation of the Authorized Officer's credit history, (ii) obtaining updated credit bureau reports from time to time on the Authorized Officer for the purpose of considering the Authorized Officer's request for the Account and subsequently in connection with any updates or renewals of the Account or reviewing or collecting the Account, and (iii) releasing information to, or responding to inquiries from, third parties regarding the existence, status and history of the Account.

Within 90 days after the end of its fiscal year and upon our request, Company agrees to provide us with financial statements as of such fiscal year ended, including balance sheet, income statement, and cash flow statement, prepared in accordance with generally accepted accounting

principles, consistently applied and audited or otherwise acceptable to us. Company also agrees to provide us with comparable quarterly financial statements and Company's tax returns upon request.

TERMINATION OR CHANGES: We may terminate this Agreement at any time, subject to such notice as may be required by law. By written notice, Company may terminate this Agreement or terminate the authority of a Cardholder to use the Account as to future advances at any time. Termination by either party shall not affect Company's obligation to repay any payments made for the Account resulting from use of the Card as well as finance charges and other related charges.

Upon written notice, we may add to, change, or delete any of the terms of this Agreement, including adjusting the periodic rate, at any time without limitation. If Company or Cardholder uses Company's Card to make a purchase or obtain a cash advance after having been given notice of a change in terms, Company agrees that the existing balance in Company's Account at the time of that use will be subject to the new terms, as shall subsequent uses.

BILLING DISPUTES: All written communications to us concerning disputed amounts, including any check or other payment instrument (i) tendered in an amount less than the full amount due marked "Paid in Full," (ii) tendered with other conditions or limitations, or (iii) otherwise tendered as full satisfaction of a disputed amount must be sent to us at the address for inquiries shown on the periodic statement. The following terms are provided for the benefit of our business members, but without any corresponding intent to extend the Truth in Lending Act to business credit card Accounts. The Truth in Lending Act and Federal Reserve Board Regulation Z do not apply to Company's Account, except where required by law.

WHAT TO DO IF THERE IS AN ERROR ON COMPANY'S STATEMENT

Notify Us in Case of Errors or Questions About the Statement. If Company believes its statement is wrong or if Company needs more information about a transaction on the statement, write us on a separate sheet at the address listed on the statement. Write to us as soon as possible. We must hear from Company no later than 60 days after we sent the first statement on which the error or problem appeared. Company can telephone us, but doing so will not preserve Company's rights.

In the letter, give us the following information: (1) Company's name and Account number, (2) The dollar amount of the suspected error, (3) Describe the error and explain, if Company can, why Company believes there is an error. If Company needs more information, describe the item Company is not sure about.

If Company has authorized us to pay the credit card bill automatically from Company's savings or checking account, Company can stop the payment on any amount Company thinks is wrong. To stop the payment, Company's letter must reach us three business days before the automatic payment is scheduled to occur.

Company's Rights and Our Responsibilities After We Receive Company's Written Notice. We will acknowledge Company's 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 Company's letter, we cannot try to collect any amount the Company questions or report Company as delinquent. We can continue to bill Company for the amount Company questions, including finance charges, and we can apply any unpaid amount

against Company's credit limit. Company does not have to pay any questioned amount while we are investigating, but Company is still obligated to pay for the parts of Company's statement that are not in question.

If we find that we made a mistake with the Company's statement, Company will not have to pay any finance charge related to any questioned amount. If we didn't make a mistake, Company may have to pay finance charges, and Company will have to make up any missed payments on the questioned amount. In either case, we will send Company a statement of the amount Company owes and the date that it is due. If Company fails to pay the amount that we think Company owes, we may report Company as delinquent. However, if our explanation does not satisfy Company and Company writes to us within ten days telling us that Company still refuses to pay, we will tell anyone we report Company to that Company has a question about Company's statement. And we will tell Company the name of anyone we reported Company to. We will tell anyone we report to the Company to that the matter has been settled between us when it finally is.

If we don't follow these rules, we will not collect the first \$50 of the questioned amount, even if Company's statement was correct.

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CUSTOMER SERVICE: (800) 599-7889 – 24 hours a day/7 day a week. (Please have account information available.)

ILLEGAL TRANSACTIONS: Company or Cardholder may not use the Card for any illegal transaction. Company agrees that we may decline to process any transaction that we believe in good faith to be for an illegal purpose. Company agrees that we will not be liable for declining to process any such transaction. If we do process any transaction that ultimately is determined to have been for an illegal purpose, Company agrees that Company will remain liable to us under this Agreement for any such transaction notwithstanding its illegal nature. Company agrees that any illegal use of the Card will be deemed an act of default under this Agreement. Company further agrees to waive any right to take legal action against us for Company's or Cardholder's illegal use of the Card and to indemnify and hold us and MasterCard International, Inc. harmless from and against any lawsuits, other legal action, or liability that results directly or indirectly from such illegal use.

INTERNATIONAL TRANSACTIONS: If a Cardholder effects an international transaction with the Card, MasterCard International will convert the charge into a U.S. dollar amount. MasterCard International will use its currency conversion procedure, which is disclosed to institutions that issue MasterCard cards. Currently, the currency conversion rate used by MasterCard International to determine the transaction amount in U.S. dollars for such transactions is generally either a government-mandated exchange rate or a wholesale exchange rate selected by MasterCard International for the applicable currency on the day the transaction is processed, which rate may differ from the applicable rate on the date the transaction occurred or when the transaction is posted to Company's Account. There is a Foreign Transaction Fee of up to 1% of the transaction amount, which is charged in U.S. dollars, on all international purchase, cash advance, and Account credit transactions, even if there is no currency conversion.

RENEWAL AND REPLACEMENT CARDS: The Card is issued with an expiration date. We may issue one or more renewal Cards from time to time, unless otherwise instructed by

Company. We are under no obligation to issue a renewal Card and may elect, in our sole discretion, not to reissue a Card. Company and Cardholder agree to notify us immediately upon learning of the loss, theft, or possible unauthorized use of the Card or the Account. Once we are notified, we may issue a replacement Card to Cardholder, Authorized Officer, or Company.

ADDITIONAL PROVISIONS: Each provision of this Agreement must be considered as part of the total Agreement and cannot, in any way, be severed from it. However, Company also agrees that should any part of the Agreement be found invalid, it will in no way affect the remainder of the Agreement. Company understands the validity, construction and enforcement of this Agreement shall be governed by the laws of Texas to the extent not preempted by federal law and venue shall be proper in **Ector** County, Texas.

This Agreement is the final expression of the understanding between Company, the Authorized Officer, Cardholders, and us concerning the Card and the Account and may not be contradicted by any alleged oral agreement. Any representation, promise, modification, or amendment to this Agreement shall not be binding upon us unless in writing and signed by us.

The amount of credit extended is at the discretion of the Credit Union, and the type of card and credit limit may be different than Company requests.

Neither Company, the Authorized Officer, nor any Cardholder may assign the Account, the Card, or the privilege of using the Account or the Card to any person. We may assign the Account, this Agreement and/or any of our interests or rights hereunder to any person without prior notice.

We do not warrant any merchandise or services purchased by Company or Cardholder with the Card. All purchases and cash advances are extended at the option of the merchant or cash advancing financial institution and we are not responsible for refusal of any merchant or financial institution to honor Company's Card.

The Card remains our property at all times and Company agrees immediately to surrender the Card on our demand. Company agrees to pay all reasonable costs of collection, including court costs and attorney's fees, and any costs incurred in the recovery of the Card. We can accept late payment(s) or partial payment(s) or check(s) or money order(s) marked "payment in full" without losing any of our rights under this Agreement. We can also delay enforcing any of our rights under this Agreement without losing them. Company and Authorized Officer agree to notify us in writing within ten days following any change in Company's or Authorized Officer's name or mailing address.

AGREEMENT AND ACKNOWLEDGMENT: By signing the application for a Card, or by using the Card, Company, Authorized Officer, and each Cardholder agrees to all the terms and conditions and promises to perform all the obligations, requirements and duties set forth in this Agreement. By using the Card, the Company, the Authorized Officer, and each Cardholder acknowledges receipt of a copy of this Agreement.