

# Credit Card Agreement

## 1. INTRODUCTION.

This Agreement covers your MasterCard® Credit Card Account (your "Account") with us. In this Agreement the words "you", "your", "yours", "applicant", and "Borrowers" mean any person who signs the application for this Account, any joint obligor, guarantor, authorized user, or the person whose name is embossed on the Card. The words "we" and "Bank" refer to BANNER BANK. The word "Card" means any one or more credit cards issued under the Bank's MasterCard TruRewards or MasterCard World program. You must sign the Card to use it. If you sign an application for this Account or sign or use any Card or use personal identification number (your "PIN"), or allow others to use the Card or your PIN, you and they will have accepted this Agreement just as if you and they signed it, and you and they, jointly and severally, will be bound by the following terms and conditions which will govern this Account.

## 2. CREDIT LINE.

Your Account is a revolving line of credit line in the amount of your credit limit. We will advise you of the amount of your credit limit. Your credit limit will be the maximum amount you may have outstanding at any one time under your credit line. You agree not to attempt to obtain more credit than the amount of your credit limit. However, if you temporarily exceed your credit limit you agree to repay the excess immediately, even if we have not yet billed you. Obtaining such credit does not increase your credit limit. We retain the right to increase or decrease your credit limit at any time for any reason. Any increase or reduction on the limit of your credit limit will be shown on your monthly statement or by separate notice together with any changes in the applicable minimum monthly payments. Your eligibility for this credit line is determined by our loan policy and may be terminated at our sole discretion, without demand or notice. You may close your credit line at any time by notifying us in writing and returning all Cards cut in half. If you terminate this Agreement or if we terminate or suspend your credit privileges, the provisions of the Agreement and your liability hereunder shall otherwise remain in full force and effect until you have paid us all sums due under this Agreement and returned all Cards.

## 3. ACCOUNT ACCESS.

You may use your Card and your Account to purchase goods or services, obtain balance transfers and obtain cash advances. No transaction may exceed the available funds in your Account. We may not honor your request for a transaction if: the request would exceed your credit limit; you are in default under this Agreement; your Account has been terminated or suspended, or your Account has not been activated.

**Purchases.** You may use your Account to purchase goods or services wherever the Card is honored, up to the full amount of your credit limit. However, you may not use your Card to initiate any type of electronic gambling transaction through the Internet.  
**Balance Transfers.** You may use your Account to obtain balance transfers from us, up to the full amount of your credit limit. Balance transfers can be used to pay off your obligations with other creditors. Balance transfers may not be used to payoff any Banner Bank accounts.  
**Cash Advances.** You may use your Account to obtain cash advances from us, from participating financial institutions and from automated teller machines ("ATM"). These cash advances are subject to a cash advance credit limit, with is 50.00% of your credit line. The maximum cash advance you may obtain at any ATM is \$500.00. We may offer you preprinted letter checks from time to time to obtain cash advances. You may write letter checks up to the full amount of your credit limit.

## 4. YOUR PROMISE TO PAY.

You promise to pay us for all purchases, cash advances and balance transfers, plus any FINANCE CHARGE, fees and other charges which arise from use of the Card or Account by you or any other person, and to be jointly and severally liable with such a person, unless such other person does not have actual, implied, or apparent authority for such use, and you receive no benefit from the use. The total outstanding balance of your Account on the closing date of a billing cycle, including any FINANCE CHARGE will be shown on your monthly statement for that billing cycle as the "New Balance." You promise to pay us either by direct payment or by automatic transfers from your bank deposit account.

## 5. FINANCE CHARGE:

a. When a FINANCE CHARGE will accrue.

**Purchases.** A FINANCE CHARGE will be imposed on purchases from the date each purchase is posted to your Account to the date paid. If, however, the outstanding balance on your prior monthly statement was paid in full prior to the statement due date or was zero and you pay your entire New Balance in full within 25 days after the closing date, no FINANCE CHARGE will be imposed on your purchases. This "grace period for purchases" allows you to avoid a FINANCE CHARGE on purchases for a billing cycle. Balance Transfers and Cash Advances. A FINANCE CHARGE will be imposed on balance transfers and cash advances from the date each cash advance or balance transfer is posted to your Account to the date paid. There is no time period within which to pay to avoid a periodic FINANCE CHARGE on cash advances or balance transfers.

b. Periodic Rates used to compute FINANCE CHARGE

.....	Corresponding Periodic Rate.....	ANNUAL PERCENTAGE RATE
Card Purchases:.....	0.8325% per month.....	9.99%
Balance Transfers:.....	0.4367% per month.....	5.24%
Cash Advances:.....	1.5000% per month.....	18.00%

(\* Beginning 60 days after your account setup the Periodic Rate and Corresponding ANNUAL PERCENTAGE RATE for new Balance Transfers will be the same as the rate for Card Purchases).

c. Method used to determine the balance on which the Finance Charge may be computed and amount of Finance Charge.

We figure the FINANCE CHARGE on your purchases by applying the Periodic Rate for purchases to the "Average Daily Balance" of purchases for your Account (including current transactions). To get the "Average Daily Balance" we take the beginning purchase balance of your Account each day, add any new purchases and subtract any payments or credits and unpaid FINANCE CHARGE. This gives us the daily balance for purchases. Then we add up all the daily balances for the billing cycle and divide by the number of days in the billing cycle. This gives us the Average Daily Balance for purchases.

We figure the FINANCE CHARGE on your balance transfers by applying the Periodic Rate for balance transfers to the "Average Daily Balance" of balance transfers for your Account (including current transactions). To get the "Average Daily Balance" we take the beginning balance transfer balance of your Account each day, add any new balance transfers and subtract any payments or credits and unpaid FINANCE CHARGE. This gives us the daily balance for balance transfers. Then we add up all the daily balances for the billing cycle and divide by the number of days in the billing cycle. This gives us the Average Daily Balance for balance transfers.

We figure the FINANCE CHARGE on your cash advances by applying the Periodic Rate for cash advances to the "Average Daily Balance" of cash advances for your Account (including current transactions). To get the "Average Daily Balance" we take the beginning cash advance balance of your Account each day, add any new cash advances and subtract any payments or credits and unpaid FINANCE CHARGE. This gives us the daily balance for cash advances. Then we add up all the daily balances for the billing cycle and divide by the number of days in the billing cycle. This gives us the Average Daily Balance for cash advances. The FINANCE CHARGE imposed during the billing cycle will be determined by multiplying the applicable Average Daily Balance by the applicable Periodic Rate.

**Employee Rate Reduction.** If you are an employee of Banner Bancorp, or one of its affiliates, you will receive a 2.00% rate reduction from the Purchase rate disclosed in this agreement.

## 6. ANNUAL FEE:

No Annual Fee for Regular Cards. \$25.00 for Deposit Secured Cards.

## 7. LATE CHARGES:

If your minimum required payment is not received within 5 days after the scheduled monthly due date, a late charge of \$20.00 will be imposed.

## 8. OTHER CHARGES THAT MAY BE IMPOSED.

We may also impose the following fees and charges on your Account:

a. Returned Item Charge. If any check or draft we receive from you as payment for any amount you owed to us is returned to us unpaid, we may impose a return item fee of \$15.00.

b. Copies of Past Statements. If you request a copy of a monthly statement, we may charge your Account \$2.00 per billing statement. These charges cover the cost of locating, copying, and delivering the documents to you. If a request is related to a billing error and an error is found, we will reverse any photocopying charges.

c. ATM Fees. If you use an ATM to obtain a cash advance and the ATM is not operated by us, you may be charged an ATM surcharge by the ATM operator or an ATM network utilized for such a transaction. The ATM surcharge may be charged to your Account if you complete the transaction.

d. Attorney's Fees and Costs. If you default on any part of this Agreement, you agree to pay us all costs to collect your Account, including court costs and reasonable attorney fees and collection agency costs whether or not there is a lawsuit, and fees on any appeal and fees for bankruptcy proceedings, appeals, and any post judgment collection services, if applicable.

## 9. DEPOSIT SECURED CREDIT CARDS.

If you have selected the Deposit Secured Credit Card, your Credit Card is secured by the assignment of a Banner Bank Deposit Account with a balance at least equal to your Credit Card's limit (\$300 to \$5,000). Additional deposits can be made to the Deposit Account from time to time and you may request the Bank increase the credit limit for the Credit Card, provided that adjustments in Credit Card limit may only be made in increments of at least \$100. A separate Security Agreement provides details of the assignment. Your withdrawals from the Deposit Account will be restricted. Should you become in default of this Agreement, the Bank has a right to apply the funds in the Deposit Account to pay any outstanding balance on your Credit Card without any prior notice to you.

## 10. MONTHLY STATEMENTS.

Each month we will send you a statement showing purchases, balance transfers, cash advances, payments, and credits made to your Account during the billing cycle, as well as your New Balance, any FINANCE CHARGE and any late charge or other charges. Your monthly statement also will identify the minimum monthly payments you must make for that billing period and the date it is due. You agree to retain for statement verification, copies of transaction slips resulting from each purchase, each advance, and other transaction on your Account. Unless you notify us of a billing error as described below, you accept your monthly statement as an accurate statement of your Account.

## 11. MINIMUM PAYMENT:

- The minimum payment required is the New Balance shown on your monthly statement if the amount is equal to or less than \$25.00.
- If the New Balance exceeds \$25.00 the minimum payment is calculated based upon the portion of the New Balance (2.00% of the Cash Advance balance, 2.00% of the Purchase balance, and 5.00% of the Balance Transfer balance) which does not exceed your credit limit (rounded up to the nearest dollar), or \$25.00, whichever is greater, plus the entire portion of the New Balance in excess of your credit limit, plus any amount past due, plus any outstanding late charges and other fees and charges.

## 12. PAYING YOUR ACCOUNT.

You agree that you will pay each month not less than the minimum monthly payment on or before the scheduled monthly due date shown on your statement. You may pay in full for all your purchases and cash advances each month, or you may repay in monthly installments. We can accept late payments or partial payments, or checks, drafts, and money orders marked "paid in full", without prejudice to our rights under this Agreement, which are hereby explicitly reserved.

## 13. APPLICATION OF PAYMENTS:

Payments to your Account will be applied in the following order: previously billed and unpaid FINANCE CHARGE, fees, then payments will be allocated to balances in the following order: Cash Advances, Purchases, and then Balance Transfers.

## 14. CONDITIONS OF ACCOUNT USE.

The use of your Card and Account are subject to the following conditions: Ownership of Cards. Any Card or other credit instrument or device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card, immediately according to instructions. The Card may be repossessed at any time at our sole discretion without demand or notice. You cannot transfer your Card or Account to another person. You may not use the Card for any illegal or unlawful transactions and we may decline to authorize any transaction that we believe poses an undue risk or illegality or unlawfulness.

**Honoring the Card.** Neither we nor merchants authorized to honor the Card will be responsible for the failure or refusal to honor the Card or any other credit instrument or device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your Account in lieu of a cash refund.

**Foreign Transactions.** Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. The currency conversion rate for international transactions as established by MasterCard is a rate selected by MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition, you will be charged an International Transaction Fee of 1.10% of the transaction amount for any card transaction made in a foreign country.

**Letter Checks.** We may not honor your letter check and we are entitled to return it unpaid if: your check is post-dated; payment of the check would exceed your credit limit; if you are in default under this Agreement; a check is signed by person without authorized access; your Account has been terminated or suspended, your Account has not been activated, or any checks have been reported lost or stolen. We will not certify a letter check. You may stop payment on a letter check if you provide us with the exact information describing the check. If you give us incorrect information, we will not be responsible for failing to stop payment. You understand there may be a charge for each stop payment order requested. Our liability for a wrongful dishonor is limited to your actual charges; however, a dishonor for the reasons stated above is not a wrongful dishonor. Only the person whose name is printed on a letter check may sign it. All letter checks must be written in U. S. dollars. A letter check may not be used to make a payment on your Account. The Bank shall have no liability for any letter check(s) returned in excess of your credit limit.

**Personal Identification Number.** We will issue you a PIN for use with your Card at ATMs. These numbers are issued to you for your security purposes. These numbers are confidential and should not be disclosed to third parties. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make available your PIN to anyone not authorized to sign on your accounts. To keep your Account secure, please do not write your PIN on your Card or keep it in the same place as your Card.

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

## 15. DEFAULT.

You will be in default under this Agreement if any of the following occur: (a) any minimum monthly payment is not made when due; (b) you become insolvent, bankrupt, or you die; (c) you violate any part of this Agreement, or any other agreement with us; or (d) if we reasonably deem ourselves insecure on your credit line. We will notify you in writing of any such action as soon as practical if it occurs. Upon default, we may declare the entire unpaid balance immediately due and payable, and you agree to pay that amount plus any attorney's fees and costs including collection agency cost incurred by us. We can delay enforcing any right under this Agreement without losing that right or any other right.

## 16. CREDIT INFORMATION/FINANCIAL STATEMENTS.

You authorize us to release information to others (e.g., credit bureaus, merchants, and other financial institutions) regarding the status and history of your credit line. You agree to provide us, at any time we deem necessary, with a current financial statement and updated credit information upon request. We may investigate your credit directly or through a credit reporting agency.

## 17. LIABILITY FOR UNAUTHORIZED USE.

You may be liable for the unauthorized use of your Card. You will not be liable for any unauthorized use of your Card once you notify us at: (855) 891-4821 or (509) 526-8820 of the loss, theft, or possible unauthorized use. The foregoing liability limitation does not apply if you are grossly negligent or fraudulent in the handling of your Account or your Card, nor does it apply in the case of cash advances obtained at an ATM. In any event, your maximum liability for unauthorized use will not exceed \$50.00.

## 18. CHANGE IN TERMS.

We have the right to change any terms and conditions of this Agreement at any time. If we do so, we will notify you in writing if required by law (in which case, changes will be effective on the date specified in the notice). Changed terms will apply to the outstanding balance of your Account as well as to any transactions after the date of the change, except that changes in interest rates will apply only to transactions performed after the date of the change. In any event, use of your Account after the date of the change will confirm that you agree to the change.

## 19. TRANSFERS.

We may transfer all or part of your account balance, along with our rights under this Agreement, to another person or entity. That person or entity will then be entitled to enforce our rights under this Agreement. You may not transfer your rights or obligations under this Agreement.

## 20. GOVERNING LAW.

This Agreement will not take effect until it is approved by us. This Agreement shall be governed by the laws of the State of Washington, regardless of where you reside.

## BILLING RIGHTS SUMMARY

In Case of Errors or Questions about Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us (on a separate sheet) at Banner Bank, PO Box 2181, Walla Walla, WA 99362 -0181 (the address shown on your bill) as soon as possible. We must hear from you no later than 60 days after we sent you the first bill 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 unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

## Special Rule for Credit Card Purchases

If you have a problem with the quality of goods 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 not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50.00 and the purchase was made in your home state or within 100 miles of your mailing address. (If we own or operate the merchant, or if we mailed you the advertisement for the property or services, all purchases are covered regardless of amount or location of purchase.)

<b>INTEREST RATE AND INTEREST CHARGES</b>	
<b>Annual Percentage Rate(APR) for Purchases</b>	<b>9.99%</b>
<b>APR for Balance Transfers</b>	<b>5.24%</b> based on your creditworthiness.  On Balance Transfers posting to your account during the first 60 days after your account setup. After that, the same as the APR for purchases.
<b>APR for Cash Advances</b>	<b>18.00%</b> Bank Cash Advance and ATM Cash Advance
<b>How to avoid paying interest on purchases</b>	Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on cash advances on the transaction date.
<b>Minimum Interest Charge</b>	If you are charged periodic interest, there will be no minimum charge.
<b>For Credit Card Tips from the Consumer Financial Protection Bureau</b>	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>
<b>FEES</b>	
<b>Annual Fees</b>	- <b>None</b> for regular cards - <b>\$25.00</b> for Deposit Secured Cards
<b>Transaction Fees</b> · Balance Transfer · Cash Advance · Foreign Fees	- <b>None</b> - <b>None</b> - <b>1.10%</b> of each transaction in U.S. dollars. (This is a pass through of MasterCard's currency conversion fee.)
<b>Penalty Fees</b> · Late Payment · Over-the-Credit-Line · Returned Payment	- <b>\$20.00</b> - <b>None</b> - <b>\$15.00</b>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including new purchases)". See the Credit Card Agreement above for more details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided above in your Credit Card Agreement.