

# Express Credit Line Agreement & Disclosure

## Interest Rate and Interest Charges

<b>Annual Percentage Rate (APR) for Cash Advances</b>	<b>14.900%</b>
<b>Paying Interest</b>	You will be charged interest starting on the transaction date.

## Fees

<b>Annual Fee</b>	<b>\$24</b>
<b>Penalty Fees</b>	
<ul style="list-style-type: none"><li>Late Payment</li></ul>	Either <b>\$15</b> or <b>5.000%</b> of the unpaid amount of the payment, whichever is greater.

**How We Will Calculate Your Balance.** We use a method called the “average daily balance (including current transactions).” See your account agreement for more details.

**Billing Rights.** Information about your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

**Introduction.** This is the Agreement and Disclosure that governs your line of credit (“Express Credit Line” or the “Account”). Please read it and keep it for your records. You accept and agree to be bound by the terms of this Agreement.

**Active Account.** You agree that you must have an active checking account with Peoples Bank to maintain an Express Credit Line.

**Promise to Pay.** You promise to pay Peoples Bank the total of all credit advances, accrued interest and interest charges, together with all fees, charges, costs and expenses for which you are responsible under this Agreement. You will pay your Express Credit Line according to the payment terms set forth below. If there is more than one Borrower, each is jointly and severally liable on this Agreement. This means we can require any Borrower, on his or her signature alone, to cancel the Express Credit Line, to request and receive credit advances, and to do all other things necessary to carry out the terms of this Agreement. We can release any Borrower from responsibility under this Agreement, and the others will remain responsible.

**Term.** The term of your Express Credit Line will begin as of the date on this Agreement and will continue as follows: The credit line continues until terminated by the Lender or Borrower. All indebtedness under this Agreement, if not already paid pursuant to the payment provisions below, will be due and payable at the end of this term. The draw period of your Express Credit Line will begin on the Agreement Date. You may obtain credit advances beginning on this date.

**Credit Limit.** This agreement covers a revolving line of credit for the Credit Limit entered above, which will be your “Credit Limit” under this agreement. Your Credit Limit is the maximum amount you may have outstanding at any one time. You agree not to allow the unpaid principal balance on your Express Credit Line to exceed this amount. While Peoples Bank is under no obligation to extend additional credit to you above your Credit Limit, Peoples Bank may, at its option, make such an extension upon request. If you exceed your Credit Limit, you agree to repay the amount in excess of your Credit Limit immediately, without notice or demand from Peoples Bank. You understand that your Credit Limit is imposed solely for our protection and you agree to hold us harmless against any loss incurred for honoring a credit advance in excess of your Credit Limit.

**Credit Advances.** Beginning on the Loan Date of this Agreement, you may obtain credit advances under you Express Credit Line as follows:

**Telephone Request.** Requesting a credit advance from your Express Credit Line to be applied to your designated account by telephone. Except for transaction covered by the federal Electronic Fund Transfers Act and unless otherwise agreed in your deposit account agreement, you acknowledge and agree that we do not accept responsibility for the authenticity of telephone instructions and that we will not be liable for any loss, expense, or cost arising out of any telephone request, including any fraudulent or unauthorized telephone request, when acting upon such instructions believed to be genuine.

**Overdrafts.** Writing a check on your designated checking account with us in excess of the available collected balance in the account.

**Requests by Mail.** Requesting an advance by mail.

**In Person Request.** Requesting a credit advance in person at any of our authorized locations.

**Internet Access.** Peoples Online Banking.

# Express Credit Line Agreement & Disclosure

If there is more than one person authorized to use the Express Credit Line, you agree not to give us conflicting instructions, such as one Borrower telling us not to give advances to the other.

**Transaction Requirements.** The following transaction limitations will apply to the use of your Express Credit Line:

**Telephone Request, Overdraft, Request by Mail, In Person Request and Internet Access Limitations.** The following transaction limitations will apply to your Express Credit Line and requesting an advance by telephone, writing a check in excess of your checking account balance, requesting an advance by mail, requesting an advance in person and accessing by other methods.

**Minimum Advance Amount.** The minimum amount of any credit advance that can be made on your Express Credit Line is \$50.00

**Limitation on All Access Devices.** You may not use any access device, whether described above or added in the future, for any illegal or unlawful transaction, and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness notwithstanding the foregoing, we may collect on any debt arising out of any illegal or unlawful transaction.

**Future Credit Line Services.** Your agreement for this Express Credit Line also serves as a request to receive any new services (such as access devices) which may be available at some future time as one of our services in connection with this Express Credit Line. 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.

**Activation.** If the Express Credit Line protects your Checking Account, and checks (or other credit advances) are drawn on your checking account or fees or other charges are posted to your Checking Account, which if paid or charged would cause your Checking Account to become overdrawn, such an event will constitute a loan request under this Agreement and Peoples Bank will make a credit advance from your Express Credit Line (an "Advance") to your Checking Account in multiples of \$50.00 (or the available balance of your Express Credit Line if less than \$50.00) sufficient to pay those items or fees posted to your Checking Account.

You will be able to request Advances to your Checking Account either verbally or in writing. Such requests may be made by you at any of the Peoples Bank Offices. You agree to be bound by any limitations placed by Peoples Bank on your ability to make such requests.

**Right to Setoff.** To the extent permitted by applicable law, we reserve a right of setoff in all your accounts with us (whether checking, savings, or some other account), including without limitation, all accounts you may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. You authorize us, to the extent permitted by applicable law, to charge or setoff all sums owing on this Agreement against any and all such accounts.

**Periodic Statements.** If you have a balance owing on your Express Credit Line or have any account activity, we will send you a periodic statement, unless prohibited by applicable law. It will show, among other things, credit advances, interest charges, fees, other charges, payments made, other credits, your "Previous Balance", and your "New Balance". Your statement will also identify the Minimum Payment you must make for that billing period and the date it is due.

**Liability and Payments.** You assume all liability and agree to pay for Advances made to you, or on your behalf, through checks drawn on your Checking Account or by any other means, and you agree to pay and promise to pay Peoples Bank at P. O. Box 233, Lynden, WA 98264 (or at any branch location), all extensions of credit, charges and fees in accordance with your Statement and the terms of this Agreement. You also agree to pay all accrued interest, and other charges and fees relating to your Express Credit Line as set forth below. Payments will be applied as of the date received by Peoples Bank as follows: first, to accrued interest, second, to the unpaid principal, and the remainder to late charges and other charges.

If the Checking Account is a joint account, you understand that all of the joint account holders are, under the Depository Agreement governing the Checking Account, already liable to repay the principal balance of any overdraft created in the Checking Account by a joint account holder whether or not any Advances are made by Peoples Bank under your Express Credit Line and whether or not all such joint account holders have agreed to be bound by this Agreement, and whether or not the joint account holder received any benefit of the overdraft created in the Checking Account. You also understand that if you authorize someone else to use the Checking Account, such as, for example, by use of your debit card, then you and any other joint account holder will also be liable for those charges. If an Advance is made from your Express Credit Line to cover any such overdrafts, whether cause by a joint account holder or an authorized person, you will be obligated to pay the sums advanced in accordance with the terms of this Agreement.

**Minimum Payment.** Your minimum monthly payment will be 5% of the outstanding balance on your Express Credit Line or \$20.00, whichever amount is greater. Your minimum monthly payment will be automatically deducted from your Checking Account on the pre-determined payment date. If the outstanding balance on your Express Credit Line is less than \$20.00, the entire outstanding balance will be deducted. You will receive a monthly billing statement which will be mailed 21 days prior to the due date. All payments made by your automatic account debit will be shown on your periodic statement.

**How Your Payments Are Applied.** Additional payments may be made by you at any Peoples Bank location at any time, but shall not affect your obligation to pay the minimum monthly payment as long as any amount is owing on your Express Credit Line. If you make additional payments during the month, the minimum payment will still be deducted from your Checking Account. Any amount you pay Peoples Bank in excess of the outstanding balance on your Express Credit Line will be credited to your Checking Account or refunded to you within 15 days of overpayment.

**Penalty Fees.** If you do not make your payment within 5 days after the "Payment Due Date" shown on your periodic statement, a late payment fee of 5% of the unpaid amount of the payment or \$15.00, whichever is greater, will be charged to your Account.

**Annual Fee.** Regardless of whether or not you use your Express Credit Line, a nonrefundable Annual Fee of \$24.00 will be charged to your Express Credit Line annually. Customers with a Personal Relationship Checking Package will have their Annual Fee waived.

# Express Credit Line Agreement & Disclosure

**Periodic Rate and Corresponding Annual Percentage Rate.** The Periodic Rate and the corresponding Annual Percentage Rate on your Credit Line are based upon an Annual Percentage Rate on ranges of balances as shown below. To determine the Periodic Rate that will apply to your account, we then divide the value of the interest rate by the number of days in a year (daily). To obtain the Annual Percentage Rate we multiply the Periodic Rate by the number of days in a year (daily). This result is the Annual Percentage Rate. In no event will the Periodic Rate or corresponding Annual Percentage Rate exceed the maximum rate allowed by law.

## Current Rates

Range of Balance or Conditions	Interest Rate	Corresponding Annual Percentage Rate	Daily Periodic Rate
All Balances	14.900%	14.900%	0.04082%

**Notwithstanding any other provision of this Agreement, we will not charge interest on any undisbursed loan proceeds.**

**Computation of Interest Charge.** Peoples Bank will compute interest charges on your Express Credit Line in the following manner: Interest on Advances under your Express Credit Line Account will begin to accrue on the date Advances are posted to your Account. There is no grace period to avoid paying interest on your Advances.

We figure the interest charge on your Express Credit Line by applying the periodic rate to the "average daily balance." To get the average daily balance, we take the beginning balance of your Express Credit Line each day, add any new advances and subtract any payments or credits and any unpaid interest or other finance charges. This gives Peoples Bank the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance."

The interest charged to your Express Credit Line is determined by multiplying the daily periodic rate to the balance described herein. Then we multiply by the number of days in the billing cycle. The daily periodic rate is the APR divided by the number of days in a year.

**Default.** We may declare you to be in default if any one or more of the following events occur: (a) you fail to pay a Minimum Payment when due; (b) your death, insolvency, or failure to pay this obligation or any other obligation to Peoples Bank; (c) you violate any provision of this Agreement or any other agreement with us; (d) any garnishments, attachment, or execution is issued against any material asset owned by you; (e) you exceed your Credit Limit; (f) you file for bankruptcy or other insolvency relief, or an involuntary petition under the provisions of the Federal Bankruptcy Act is filed against you; or (g) we, in good faith, deem ourselves insecure.

**Lender's Rights.** If you are in default, we will send notice to you setting forth a time period of at least fifteen (15) days in which such default may be cured. During this cure period, without notice, we may suspend your Express Credit Line as provided below. If such default is not cured during this period, we may either terminate or continue suspension of your Express Credit Line Account.

**Suspension.** If we suspend your Express Credit Line, you will lose the right to obtain further credit advances. However, all other terms of this Agreement will remain in effect and be binding upon you, including your liability for any further unauthorized use of any Express Credit Line access devices.

**Termination.** If we terminate your Express Credit Line, your Express Credit Line will be suspended and the entire unpaid balance will be immediately due and payable, and you agree to pay that amount plus all interest, fees, and other amounts due under this Agreement.

**Collection Costs.** We may hire or pay someone else to help collect any amount outstanding if you do not pay. This includes, subject to any limits under applicable law, our attorneys' fees and our legal expenses, whether or not there is a law suit, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any other collection costs that we may incur. If not prohibited by applicable law, you also will pay any court costs, in addition to all other sums provided by law.

**Security.** Peoples Bank does not claim any security interest in or lien of any kind on any real property to secure payment of any obligations under this Agreement, and to the extent that any documents purport to grant to us a security interest or lien of any kind on real property securing these obligations, we hereby waive such security interest or lien on real property to the extent that, and only to the extent that, it applies to your obligations under this Agreement. You grant to Peoples Bank a security interest in all of the accounts you may now or hereafter have at Peoples Bank to secure payment of the balance owed on your Express Credit Line.

**Amendment.** Peoples Bank reserves the right to amend the terms of this Agreement including, by not limited to, each of the provisions in the Payment Schedule and Schedule of Charges Section of this Agreement. Such amendments will be as Peoples Bank may from time to time determine, and as will be permitted by law upon such prior written notice as required by law. Any such amendments will be applicable to all outstanding balances as well as future balances, unless you close your account before the effective date thereof.

**Error.** Peoples Bank will furnish you a periodic statement showing all transactions for the previous billing period. Unless you notify Peoples Bank of any alleged errors in accordance with the billing error resolution procedure provided below, Peoples Bank will consider the statement correct for all purposes.

**Termination of Account – Reduction in Credit.** Peoples Bank may terminate or reduce the Express Credit Line on your Account at any time upon sending written notice to the last address shown on Peoples Bank's records and your rights under this agreement will also terminate or be modified accordingly. In the event your Account is terminated, or your Credit Line reduced, for reasons other than those set in the Default paragraph, you agree to continue to make each required payment until all obligations to Peoples Bank are paid in full.

**Checking.** You agree that if the Checking Account to which your Express Credit Line is related to is closed or blocked from usage, your Express Credit Line will automatically convert to a monthly billing. At Peoples Bank's option, the Express Credit Line may be terminated and become due and payable in full.

**Cancellation.** You may cancel this Agreement by delivering to Peoples Bank written notice that you wish to do so. If you have a joint account, either party authorized to use your Account may sign the written notice. Such cancellation will be effective five (5) days after Peoples Bank has received such notice. If your Express Credit Line is cancelled, you are still required to pay everything you owed to Peoples Bank, including any amounts that have not yet been billed to you in accordance with the terms of this Agreement.

**Peoples Bank**  
A higher level of service.

# Express Credit Line Agreement & Disclosure

**Prepayment.** You may prepay all or any amount owing under this Express Credit Line at any time without penalty, except we will be entitled to receive all accrued interest, fees, and other charges, if any. Payments in excess of your Minimum Payment will not relieve you of your obligation to continue to make your Minimum Payments. Instead, they will reduce the principal balance owed on the Express Credit Line. You agree not to send us payments marked "paid in full", "without recourse", or similar language. If you send such a payment, we may accept it without losing any of our rights under this Agreement, and you will remain obligated to pay any further amount owed to us. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to Peoples Bank, Loan Operations Department, P.O. Box 233, Lynden, WA 98264.

**Review.** You agree that you will provide us with a current financial statement, a new credit application, or both, on forms provided by us. Based on this information we will conduct a review of your Express Credit Line. Review of this information could from time to time alter your Express Credit Line limit. Failure to provide requested information could lead to the termination of your Express Credit Line. You also agree we may obtain credit reports on you at any time, at our sole option, for any reason, including but not limited to determining whether there has been an adverse change in your financial condition. You agree to reimburse us for any costs we incur in connection with the review. You authorize us to release information about you to third parties as described in our privacy policy and our Fair Credit Reporting Act notice, provided you did not opt out of the applicable policy, or as permitted by law. Based upon a material adverse change in your financial condition (such as termination of employment or loss of income), we may suspend your Express Credit Line.

**Transfer or Assignment.** Without prior notice or approval from you, we reserve the right to sell or transfer your Express Credit Line and our rights and obligations under this Agreement to another lender, entity, or person. Your rights under this Agreement belong to you only and may not be transferred or assigned. Your obligations, however, are binding on your heirs and legal representatives. Upon any such sale or transfer, we will have no further obligation to provide you with credit advances or to perform any other obligation under this Agreement.

**Notify Us of Inaccurate Information We Report to Consumer Reporting Agencies.** Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Peoples Bank, Loan Operations Department, P.O. Box 233, Lynden, WA 98264.

**Governing Law.** This Agreement will be governed by federal law applicable to us and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions. This Agreement has been accepted by us in the State of Washington.

**Choice of Venue.** If there is a lawsuit, you agree upon our request to submit to the jurisdiction of the courts in the State of Washington.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**Interpretation.** You agree that this Agreement is the most reliable evidence of your agreements with us. If we go to court for any reason, we can use a copy, filmed or electronic, of any periodic statement, this Agreement, or any other document to prove what you owe us or that a transaction has taken place. The copy, 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 billing error, your most current periodic statement is the most reliable evidence of your obligation to pay.

**Severability.** If a court 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 this Agreement will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Agreement even if a provision of this Agreement may be found to be invalid or unenforceable.

**Address – Notice.** If you move, you must give Peoples Bank your new address by providing Peoples Bank with written notice of it so Peoples Bank can change its records. You agree that all notices regarding your Account may be sent to any joint owner whose name and address appears on Peoples Bank's records.

**Other Agreement.** This Agreement is in addition to any other agreement, terms or conditions relating to your Checking Account, or any other service or product you may have with Peoples Bank. All such other agreements, terms and conditions will continue to be effective.

# Express Credit Line Agreement & Disclosure

## BILLING ERROR RIGHTS YOUR BILLING RIGHTS KEEP THIS NOTICE FOR FUTURE USE

This notice tells you about your right 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, write us at:

**Peoples Bank, Loan Services Department, PO Box 233, Lynden WA 98264**

or at the address listed on your statement.

In your letter, 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, 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.