



Horizon Credit Union  
P.O. Box 15128  
Spokane Valley, WA 99215  
(800) 852-5316

## CREDIT CARD AGREEMENT

IN THIS AGREEMENT, "YOU" AND "YOUR" MEAN ANY PERSON WHO ACCEPTS THIS AGREEMENT OR USES THE CARD. THE "CARD" MEANS ANY CREDIT CARD ISSUED TO YOU OR THOSE DESIGNATED BY YOU UNDER THE TERMS OF THIS AGREEMENT. "WE", "US", "OUR" AND THE "CREDIT UNION" MEANS HORIZON CREDIT UNION OR ITS SUCCESSORS. BY USING YOUR CARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS SET FORTH HEREIN.

### **THE GRANTING OF THIS SECURITY INTEREST IS A CONDITION FOR THE ISSUANCE OF CREDIT UNDER THIS AGREEMENT.**

**YOU SPECIFICALLY GRANT US A CONSensual SECURITY INTEREST IN ALL INDIVIDUAL AND JOINT ACCOUNTS YOU HAVE WITH US NOW AND IN THE FUTURE TO SECURE REPAYMENT OF CREDIT EXTENDED UNDER THIS AGREEMENT. YOU ALSO AGREE THAT WE HAVE SIMILAR STATUTORY LIEN RIGHTS UNDER STATE AND/OR FEDERAL LAW. IF YOU ARE IN DEFAULT, WE CAN APPLY YOUR SHARES TO THE AMOUNT YOU OWE.**

Shares and deposits in an Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given are not subject to this security interest.

If you have other loans with us, collateral securing such loans will also secure your obligations under this Agreement, unless that other collateral is your principal residence or non-purchase money household goods.

**Using Your Card.** You can purchase or lease goods and services from any merchant who honors your Card, and you may obtain cash advances from financial institutions and ATM machines that accept the Card, up to your maximum credit limit. You agree not to present your Card or obtain a cash advance for any extension of credit in excess of your available credit limit; however, if you do exceed your credit limit, you agree to make immediate payment sufficient to bring the balance below the credit limit. Certain purchases and cash advances require authorization prior to completion of the transaction. In some cases, you may be asked to provide identification. If our system is not working, we may not be able to authorize a transaction, even though you have sufficient credit available. Also, for security reasons, we may block the use of your Card in certain countries or geographic areas. We will have no liability to you or others if any of these events occur.

**Personal Identification Number (PIN).** We may issue a Personal Identification Number (PIN) for use with your Card. This PIN is confidential and should not be disclosed to anyone. You may use your PIN and your Card to access your account, and all sums advanced will be added to your account balance. In the event a use of your PIN constitutes an Electronic Funds Transfer, the terms and conditions of your Electronic Funds Transfer Agreement may affect your rights.

**Promise To Pay.** You promise to pay us in U.S. dollars for (a) all purchases, cash advances, and balance transfers made by you or anyone whom you authorize to use the Card; (b) all Interest Charges and all other charges or fees; (c) collection costs and attorney's fees as permitted by applicable law, and any costs incurred in the recovery of the Card; and (d) credit in excess of your credit limit that we may extend to you.

**Illegal Transactions.** You agree that your Card and account will not be used to make or facilitate any illegal transactions as determined by applicable law; and that any such use will constitute an event of default under this Agreement. We may decline any transaction that we believe to be illegal under applicable law, including but not limited to any transaction involving or relating to any gambling activity. You agree that we will have no liability or responsibility for any such use by you or any authorized user(s); or for declining any such transaction. You further agree to indemnify and hold us harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use. You promise to pay us any and all amounts owing on your Card for any transactions made by you, even if the transaction is determined to be illegal.

**Joint Accounts.** Each of you will be responsible, jointly and severally, for the repayment of amounts owed, regardless of who initiated any transaction under the account.

**Others Using Your Account.** If you allow anyone else to use your account, you will be liable for all credit extended to such persons. You promise to pay for all purchases and advances made by anyone you authorize to use your account, whether or not you notify us that he or she will be using it. If someone else is authorized to use your account and you want to end that person's privilege, you must notify us in writing, and if he or she has a Card, you must return that Card with your written notice for it to be effective.

**Ownership of Card.** Your Card remains our property and may be cancelled by us at any time without notice. You agree to surrender your Card and to discontinue use of the account immediately upon our request.

**Interest Charges.** You agree to pay interest at the rate(s) disclosed to you at the time you open your account and as may be changed from time to time in accordance with applicable law. *Average Daily Balance including new transactions:* Interest Charges will accrue on your average daily balance outstanding during the month. To get the average daily balance, we take the beginning balance each day, add any new purchases, cash advances, balance transfers or other advances, and subtract any payments, unpaid interest charges, and unpaid late charges. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide that by the number of days in the billing cycle. We then multiply that by the periodic rate corresponding to the Annual Percentage Rate on your account. If you have different rates for purchases, cash advances or balance transfers, separate average daily balances for each will be calculated and the appropriate periodic rate is then applied to each.

*Grace Period on Purchases Only:* You can avoid Interest Charges on purchases by paying the full amount of the new balance for purchases each month by the date on which the payment is due. Otherwise, the new balance of your account, and subsequent advances from the date they are posted to the account, will be subject to an Interest Charge. You cannot avoid Interest Charges on cash advances and balance transfers; even if you pay the entire cash advance balance or balance transfer balance by the payment due date, you will incur the Interest Charges accrued from the date the cash advance or balance transfer is posted to your account.

**Fees.** In addition to the Interest Charges set forth above, you agree to also pay any and all fees that you incur as disclosed to you on your Truth-in-Lending Statement or similar disclosures (as may be amended from time to time), or as disclosed to you during the term of your Card.

**If Your Card is Lost or Stolen or if an Unauthorized Use Occurs.** You agree to notify us immediately if your Card is ever lost or stolen or if an unauthorized use may have occurred. "Unauthorized use" means the use of the Card by someone other than you who does not have actual, implied or apparent authority for such use, and from which you receive no benefit. The telephone number to call is (509) 928-6494 or (800) 852-5316. You agree to follow up your call with notice in writing to us at: P.O. Box 15128, Spokane, WA 99215. You also agree to assist us in determining the facts, circumstances and other pertinent information relating to any loss, theft or possible unauthorized use of your Card and comply with such procedures as we may require in connection with our investigation. You will be liable for any unauthorized use only if we can prove that you were negligent in your use or handling of your Card, or if we can prove that you used your Card fraudulently.

**Minimum Payment Due; Crediting of Payments.** Payments are due in the amount and on the date disclosed on your billing statement. If your payment is received by us on a business day at the address and by the time designated on the billing statement, it will be credited to your account on the date of receipt. If payment is made at any location other than the address designated on the periodic statement, credit for such payment may be delayed up to five (5) days. Payments will be applied in any order we determine, subject to applicable law.

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**Default; Acceleration; Credit Suspension; Collection Costs.** You will be in default if: (1) you fail to make any payment on time; (2) if you fail to keep any promises you have made under this Agreement or under other Agreements you have with us; (3) if you die; (4) if you file a petition in bankruptcy or have a bankruptcy petition filed against you, or if you become involved in any insolvency, receivership or custodial proceeding; (5) if anyone attempts to take any of your funds held by us via legal process or if you have a judgment or tax lien filed against you; (6) if you make any false, inaccurate, or misleading statements in any credit application or credit update; or (7) if we, in good faith, believe that your ability to repay what you owe is or soon will be impaired, or that you are unwilling to make your payments.

If you are in default, we have the right to demand immediate payment of your full account balance without giving you notice. If immediate payment is demanded, you agree to continue paying interest charges and fees until what you owe has been paid, and any shares that were given as security for your account may be applied towards what you owe. You agree to pay all reasonable costs of collection, including court costs and attorney's fees, and any costs incurred in the recovery of the Card, subject to applicable law. Even if your unpaid balance is less than your credit limit, you will have no credit available during any time that any aspect of your account is in default.

**Suspension of electronic services and access to share or deposit accounts.** Subject to applicable law, we may suspend some or all electronic services and access to your checking or other account(s) if you become delinquent on any of your credit card or deposit obligations to us or you cause a loss to us. We shall not be liable to you in any regard in connection with such suspension of services.

**Additional Benefits/Card Enhancements.** We may from time to time offer additional services to your Account at no additional cost to you. You understand that we are not obligated to offer such services and may withdraw or change them at any time.

**Convenience Checks.** We may, at our discretion, issue checks to you which may be used for any purpose other than making a payment for credit to your account. By signing such check, you authorize us to pay the item for the amount indicated and post such amount as a cash advance to your account. We do not have to pay any item which would cause the outstanding balance in your account to exceed your credit limit.

**Credit Information.** We may from time to time request personal information from you or obtain credit reports from the credit reporting agencies for the purpose of updating your credit status. Your failure to provide such information when requested by us may result in suspension of credit privileges under this Agreement, including your ability to obtain any future advances by any means. You authorize us to investigate your credit standing when opening or reviewing your account. You authorize us to disclose information regarding your account to credit bureau and creditors who inquire about your credit standing.

**Foreign Transactions; Currency Conversion.** Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. The conversion rate in dollars will be a rate selected by the card company from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate the card company itself receives, or the government-mandated rate in effect for the applicable central processing date in each instance. All transactions processed outside of the United States (which may include internet transactions) will be charged a foreign transaction fee in the amount disclosed on your Truth-in-Lending Statement (as amended from time to time).

**Termination; Change-in-Terms.** We may, by written notice, terminate this Agreement at any time, subject to applicable law. You may terminate this Agreement by written notice. Termination by either party shall not affect your obligation to repay any balance on your account resulting from use of the Card as well as Interest Charges and fees incurred. We may change the terms of this Agreement, including the method of calculating the periodic rate, at any time, by written notice, subject to applicable law. Use of the Card

constitutes agreement and acceptance of any change in terms, unless applicable law requires otherwise. Our failure to exercise any of our rights or to take any action shall not constitute a waiver of those rights, or an amendment or change in any of the terms of this Agreement.

**Late or Partial Payments.** Any payment that delays the reduction of your balance will increase your total interest costs. Partial payments or prepayments will not delay your next scheduled payment - you will still need to make the minimum scheduled payment by the next scheduled due date to keep your account current. We may accept late payments, partial payments, checks or money orders marked "payment in full" and such action shall not constitute final settlement of your account or a waiver or forgiveness of any amounts owing under this Agreement.

**Enforcement.** We do not lose our rights under this or any related agreement if we delay enforcing them. If any provision of this or any related agreement is determined to be unenforceable or invalid, all other provisions remain in full force and effect.

**Returns and Adjustments.** Merchants and others who honor the Card may give credit for returns or adjustments, and they will do so by submitting a credit slip which will be posted to your account. If your credits and payments exceed what you owe us, the amount will be applied against future purchases and cash advances. If the credit balance amount is \$1 or more, it will be refunded upon your written or verbal request.

**Plan Merchant Disputes.** We are not responsible for the refusal of any plan merchant or financial institution to honor your Card. Also, we are not responsible for goods or services that you purchase with the Card unless: (a) your purchase was made in response to an advertisement we sent or participated in sending you; or (b) your purchase cost more than \$50 and was made from a plan merchant in your state or within 100 miles of your home; and only if you have made a good faith attempt, but have been unable to obtain satisfaction from the plan merchant. You must resolve all other disputes directly with the plan merchant. We do not warrant any merchandise or services purchased by you with the Card.

**Statements and Notices.** Statements and notices will be mailed to you at the most recent postal address or e-mail address (if you have elected to receive such documents via electronic means) you have given us. Notice sent to any one of you will be considered notice to all.

**Notification of Address Change.** You will notify us promptly if you change your address for any reason. In order to prevent identity theft, your identity may need to be verified before we act upon the notification.

**Copy Received.** You acknowledge that you have received a copy of this Agreement.

**Governing Law.** This Agreement shall be construed under federal law and state law in the state in which we are primarily located, and the venue shall be located in the county and state in which we are primarily located. Operating regulations of Visa may also apply. This Agreement is the contract that applies to all transactions even though the sales, cash advance, convenience check, credit or other slips you sign or receive may contain different terms.

**NOTICE TO UTAH BORROWERS:** This written agreement is a final expression of the agreement between you and the Credit Union. This written agreement may not be contradicted by evidence of any oral agreement.

## IMPORTANT DISCLOSURES FOR ACTIVE MEMBERS OF THE MILITARY AND THEIR DEPENDENTS:

The following applies if at the time this loan is made you are an active member of the military or a dependent (as those terms are defined in the Military Lending Act (MLA), 10 U.S.C. 987 and its implementing regulations ("MLA")), and (a) your loan is unsecured or secured by personal property or a vehicle that you did not purchase with the proceeds of the loan; or (b) it is otherwise determined by law that the MLA applies to your loan. If this loan is a revolving line of credit or credit card, the MLA ceases to apply at any time during which you are not a member of the military or a dependent (as defined in the MLA).

- NOTICE:** Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: the costs associated with credit insurance premiums or debt protection fees; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account). To receive this notice verbally, please call 1-800-852-5316 24 hours a day, 7 days a week.
- This loan will not be secured by a consensual lien on shares or deposits in any of your accounts unless you agree to establish an account in connection with this loan ("Secured Account"). Only funds deposited into the Secured Account after the loan is made will secure this loan. Any cross-collateralization provision contained in your loan or account documents will not apply to the Secured Account or your other share or deposit accounts for any loan subject to the Military Lending Act.  
However, we reserve our statutory lien rights and rights to set-off or administrative freeze under federal or state law, which gives us the right to apply the sums in the Secured Account or any other account(s) you have with us to satisfy your obligations under this loan.
- Any reference in this consumer credit contract to the following are hereby inapplicable to your loan: (a) Mandatory arbitration; (b) Any requirement(s) to waive your rights to legal recourse under any applicable state or federal law; (c) Any demands or requirements construed as unreasonable notice from you in order to exercise your legal rights; or (d) Prepayment penalties.
- Any provisions in your consumer credit contract, loan, security, or account agreements that are determined to be inconsistent with or contradictory to these disclosures or the MLA (as they may be changed or amended from time to time) are inapplicable with regard to this loan. However, all other terms and conditions of the consumer credit contract shall remain in full force and effect.

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

**This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.**

### What To Do If You Find A Mistake On Your Statement

If you think there is an error on your statement, write to us at the address(es) listed on your statement.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- 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:

- 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.
- 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:

- 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.

- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

### Your Rights If You Are Dissatisfied With Your Credit Card Purchases

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

- The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
- You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
- You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at the address(es) listed on your statement.

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

## CARDHOLDER'S SIGNATURES

By signing below, you acknowledge that you have read, understand and accept the terms and conditions of the Credit Card Agreement and Truth-in-Lending Statement. You acknowledge that you have received copies of these documents. You also understand and agree that by using your card or accessing proceeds from the credit card account, you are bound to the aforementioned documents.

**Negative Information Notice: We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.**

### IMPORTANT NOTICE ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying information.

BORROWER'S SIGNATURE

DATE

X

CO-BORROWER'S SIGNATURE

DATE

X

**APPLICATION, DISCLOSURES, AND PROGRAM AGREEMENT for DEBT PROTECTION PLAN**

**This Product is Optional.** Your purchase of the Debt Protection Plan ("Plan") is optional. Whether or not you purchase this protection will not affect your application for credit or the terms of any existing credit agreement you have with the Financial Institution. You may cancel the Program at any time. See the Program Agreement for an explanation of how the Program may be terminated.

<b>I ELECT: (Check only one box)</b>	<b>Cost:</b>  <i>Open-end Loans:</i> <i>per \$1,000 of monthly outstanding loan balance</i>
<b>Short-Term Loans:</b>	
<input type="checkbox"/> <b>PLAN 1:</b> Plan # 542600 <input type="checkbox"/> Single <input type="checkbox"/> Joint <b>Death:</b> Cancels loan balance <b>Disability:</b> Cancels up to 6 Payments <b>Involuntary Unemployment:</b> Cancels up to 3 Payments <b>Hospital Stay:</b> Cancels up to 1 Payment	\$4.25
<input type="checkbox"/> <b>PLAN 2:</b> Plan # 542601 <input type="checkbox"/> Single <input type="checkbox"/> Joint <b>Death:</b> Cancels loan balance <b>Disability:</b> Cancels up to 6 Payments <b>Hospital Stay:</b> Cancels up to 1 Payment	\$2.19
<input type="checkbox"/> <b>PLAN 3:</b> Plan # 542602 <input type="checkbox"/> Single <input type="checkbox"/> Joint <b>Death:</b> Cancels loan balance <b>Hospital Stay:</b> Cancels up to 1 Payment	\$1.28
<b>Long-Term Loans:</b>	
<input type="checkbox"/> <b>PLAN 4:</b> Plan # 542603 <input type="checkbox"/> Single <input type="checkbox"/> Joint <b>Death:</b> Cancels up to 6 Payments <b>Disability:</b> Cancels up to 6 Payments <b>Involuntary Unemployment:</b> Cancels up to 3 Payments <b>Hospital Stay:</b> Cancels up to 1 Payment	\$1.78
<input type="checkbox"/> <b>PLAN 5:</b> Plan # 542604 <input type="checkbox"/> Single <input type="checkbox"/> Joint <b>Death:</b> Cancels up to 6 Payments <b>Disability:</b> Cancels up to 6 Payments <b>Hospital Stay:</b> Cancels up to 1 Payment	\$0.87
<input type="checkbox"/> <b>PLAN 6:</b> Plan # 542605 <input type="checkbox"/> Single <input type="checkbox"/> Joint <b>Death:</b> Cancels up to 6 Payments <b>Hospital Stay:</b> Cancels up to 1 Payment	\$0.37
<b>*Benefit Maximums:</b> <b>Death Protection</b> under Plans 1-3 cancels a maximum of <b>\$75,000</b> . <b>Cancellations</b> listed are per occurrence. <b>Monthly cancellations for Short-term Loans are limited to \$1,000 per month, and \$15,000 over the term of the loan, per each Protected Event and per each protected Borrower.</b> <b>Monthly cancellations for Long-term Loans are limited to \$1,500 per month, and \$18,000 over the term of the loan, per each Protected Event and per each protected Borrower.</b>	
<input checked="" type="checkbox"/> No, I do not wish to apply for the voluntary Payment Protection Plan at this time. _____ (Borrower 1 initials) _____ (Borrower 2 initials)	

**Application Eligibility:**

To be eligible to apply, I must meet the following conditions. By signing this Application, I am stating that: (1) I am under age 70; (2) *If applying for Death or Disability protection:* During the last 2 years, I have not been advised of or treated for: cancer, heart attack or coronary artery disease, stroke, cirrhosis, AIDS, or any disorder of my immune system, or had any test showing evidence of antibodies to the AIDS virus (a positive HIV test); (3) *if applying for Disability or Unemployment protection:* I am presently working twenty-four (24) or more hours per week; (4) *If applying for Involuntary Unemployment:* I am not self-employed.

**Seasonal Workers:** Whether you qualify for Involuntary Unemployment Benefits at the end of your seasonal employment will depend on whether you qualify for your state's unemployment benefits.

**Email Communication:** By signing this application, you acknowledge and agree that our administrator can (1) send you claims forms or other administrative forms to the email address that you provide to us and (2) otherwise communicate to you via email in order to administer your coverage if you activate your protection. Our administrator does not sell your information and will not use your email address for any purpose other than as outlined herein.

**BORROWER'S SIGNATURE**

I acknowledge and agree that: **(a)** I meet the eligibility requirements listed above. If it is discovered that I do not meet the eligibility requirements above, my participation in the Plan will be terminated, I will receive a refund of any fees paid, and an otherwise valid claim will be denied. **(b)** I have received the disclosures herein and have thoroughly read the *Debt Protection Program Agreement ("Agreement")*, and agree to abide by the terms of the Agreement; **(c)** I authorize the Plan fees to be added to my loan each month; and **(d)** I understand that I may not be eligible for all benefits contained in the Plan. This document is hereby incorporated into Borrowers loan documentation as if fully set forth therein. **There are eligibility requirements, conditions, and exclusions that could prevent you from receiving benefits under the Program. See the Program Agreement for details.**

BORROWER 1 SIGNATURE _____ DATE _____ <div style="border: 1px solid black; width: 100px; height: 30px; margin-top: 5px; display: flex; align-items: center; justify-content: center;">X</div>	BORROWER 2 SIGNATURE (If applying for Joint Protection) _____ DATE _____ <div style="border: 1px solid black; width: 100px; height: 30px; margin-top: 5px; display: flex; align-items: center; justify-content: center;">X</div>
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## PROGRAM AGREEMENT for PAYMENT PROTECTION PLAN

As used in this Debt Protection Plan Program Agreement ("Agreement"), "You", "Your" or "Borrower" means the person(s) who are obligated to repay a loan to us who have purchased debt protection under this Agreement. "We", "Our", "Us" means, Horizon Credit Union, P.O. Box 15128, Spokane, WA 99215. "Plan Administrator" means Minnesota Life Insurance Company, 400 Robert Street North, St. Paul, Minnesota, 55101, or one of its affiliates, or a contracted third party.

This Agreement amends your loan or credit agreement. By enrolling in this Debt Protection Plan ("Plan"), you agree to abide by the terms of this Agreement. The Debt Protection Application is a part of this Agreement and is hereby incorporated as if fully set forth herein.

### DEFINITIONS

Effective Date means that date on which your Plan becomes effective, which is: the later of (1) the date you enroll in, and your eligibility is approved for, the Plan; or (2) the date of your first advance under a protected multi-featured lending plan.

Working twenty-four (24) or more hours per week: This term means that you are actively working for income for twenty-four (24) hours or more per week. Working means actually performing your job duties and not off of work due to leave of absence; layoff; routine or seasonal work interruption; or any other reason.

Outstanding Balance and Payment: "Outstanding Balance" means the outstanding loan balance as of the date a Protected Event occurs. "Payment" means the minimum monthly loan payment scheduled under your loan agreement. Outstanding Balance and Payment both refer to the protected amount under the Plan and include principal, interest, the Plan fee and any amounts which the creditor and borrower agreed to finance as part of the loan at the time the credit is extended. It does not include late fees or other fees; real estate taxes or property insurance premiums; or any amount that represents defaults in scheduled payments of either interest or principal. A scheduled lump-sum Balloon payment will only be protected if the Protected Event cancels the Outstanding Balance. Additionally, any advance taken during any period of Involuntary Unemployment and Disability will not be protected and the payment for that advance will not be cancelled. You will be responsible for re-paying any amounts that are not cancelled.

Pre-existing condition: means a condition for which you received or had medical treatment, advice or diagnostic tests either for that same condition or a related condition within the six-month period immediately prior to the Effective Date and immediately prior to each and every advance taken. However, any Protected Event resulting from any such condition or a related condition will not be excluded if the Protected Event commences six months or more after the Effective Date of protection or six months or more after the advance is taken.

### TERMS OF PROTECTION

Who is eligible for protection?

This Plan protects an eligible Borrower ("Borrower 1") against Protected Events that occur while you are enrolled in the Plan ("Single Protection"). At no additional cost, you may purchase protection for a Co-Borrower ("Borrower 2") against the Protected Events within the Plan purchased ("Joint Protection"). Co-signers, guarantors, and non-borrower owners of collateral are not eligible for protection.

What types of loans are eligible for protection under the Plan?

The following types of loans are eligible for protection if the Plan is made available to you on that loan type:

Plans 1-3: closed-end loans if the loan has a term of less than 120 months; multi-featured consumer lending plans and consumer lines of credit; and credit cards

Plans 4-6: closed-end loans if the loan has a term of 120 months or more; and home equity lines of credit.

What is the Plan Fee and how is it collected?

The Plan Fee is the amount you pay for the Protection. It is calculated by applying the rate per \$1,000 of your monthly outstanding balance or loan amount and will be charged and collected monthly. For closed-end loans, if the Protection is purchased at loan closing, the fee becomes part of your required monthly loan payment. For open-end loans, the fee will be added to your outstanding balance as an advance each month, increasing your minimum payment due. If Debt Protection is added after the start of a closed-end loan, the fee will be added to your outstanding balance as an advance each month; in such a case, we may either increase your minimum monthly payment or extend the term of your loan. Interest will accrue on the debt protection advance. If you fail to pay the fee, we can cancel the protection or, at our option, add the fee to your outstanding balance upon which it will accrue interest. Such addition may extend the term of your loan.

Can the Plan Fee and terms of this Agreement Change?

Yes. We can change the terms of this Agreement, including the rates, at any time. If we do so, you will be provided prior notice and an opportunity to cancel your Agreement under the Plan.

Can this Agreement be contested?

Yes. If we find that you did not meet the eligibility requirements at the time of your application, your protection under the Plan will be removed, you will receive a refund of fees paid, and an otherwise valid claim will be denied.

### PROTECTED EVENTS

The following describes the types of Protected Events and the protection afforded under each Plan:

#### DEATH (All Plans; Joint Protection Available)

What is the Death benefit?

Plans 1-3: For each protected borrower, we will cancel the amount of your Outstanding Balance as of the date of death, up to \$75,000. If two protected Borrowers die simultaneously, we will cancel the Outstanding Balance, up to \$75,000. In no event will an excess of \$75,000 be cancelled.

Plans 4-6: If you, or your joint borrower covered under a Joint Plan, dies, we will cancel up to six (6) consecutive Payments as of the date of death. If both protected Borrowers die simultaneously, we will cancel twelve (12) Payments. The maximum monthly cancellation is \$1,500.

#### DISABILITY (Plans 1, 2, 4 & 5; Joint Protection Available)

What does Disability mean and how do I qualify for Disability?

Disability means your continuous inability, due to sickness or injury, to perform the substantial and material duties of your regular occupation perform the substantial and material duties of your own occupation and you are under the regular care and treatment of a licensed physician or licensed health care provider. To qualify for Disability protection, you must be disabled for 30 consecutive days. Benefits begin to accrue on the first (1st) day that you are disabled.

What amounts are cancelled under the Disability protection?

For each occurrence of Disability, we will cancel 1/30th of the Payment for each day that you are disabled beginning with the first (1st) day of Disability and continuing for up to six (6) Payment cancellations. However, cancellations will immediately cease if you recover or return to work; or if the loan is paid off, is refinanced, or is discharged for any reason. Cancellation is limited to a total of \$15,000 over the term of the loan for Short-term Loans and \$18,000 over the term of the loan for Long-term loans, regardless of the number of occurrences. The maximum monthly cancellation is \$1,000 for Short-term Loans and \$1,500 for Long-term loans.

What if the same or related disability occurs?

Please see the "What if I suffer a recurrence?" question in the General Provisions section below.

#### INVOLUNTARY UNEMPLOYMENT (Plans 1 & 4; Joint Protection Available)

What does Involuntary Unemployment mean and how do I qualify for protection?

Involuntary Unemployment means that you involuntarily lost your employment in which you were actively working for income for twenty-four (24) hours or more per week, and are receiving, or railroad unemployment benefits.

To qualify for Involuntary Unemployment protection, the following requirements must be met:

1. You are involuntarily unemployed for 30 consecutive days; and
2. You are receiving unemployment benefits for the period of unemployment for which you are making a claim under this Agreement.

What amounts are cancelled under Involuntary Unemployment protection?

We will cancel 1/30th of the Payment for each day you are involuntarily unemployed, beginning with the first (1st) day of involuntary unemployment and continuing for (a) up to three (3) Payment cancellations per occurrence of Involuntary Unemployment; or (b) until you discontinue receiving unemployment benefits for any reason; or (c) you regain employment; whichever is earlier. Cancellation is limited to a total of \$15,000 over the term of the loan for Short-term Loans and \$18,000 over the term of the loan for Long-term loans, regardless of the number of occurrences. The maximum monthly cancellation is \$1,000 for Short-term Loans and \$1,500 for Long-term loans.

HOSPITAL STAY (All Plans; Joint Protection Available)

What does Hospital Stay mean?

Hospital Stay means that you are admitted to a hospital due to a medical condition. The term "hospital" includes any licensed medical hospital or chiropractic hospital, acute care, convalescent nursing, residential drug, psychiatric or hospice facility.

What is the Hospital Stay benefit?

If you are hospitalized for more than three (3) consecutive days, we will cancel one (1) Payment per occurrence. You can only receive one (1) cancellation over the term of the loan regardless of how many times you are hospitalized. Cancellation is limited to a total of \$15,000 over the term of the loan for Short-term Loans and \$18,000 over the term of the loan for Long-term loans, regardless of the number of occurrences. The maximum monthly cancellation is \$1,000 for Short-term Loans and \$1,500 for Long-term loans.

#### EXCLUSIONS

Exclusions apply to both the Outstanding Balance and any and all advances under a multi-featured consumer lending plan.

Benefits will not be provided under any Protected Event if the Protected Event:

(1) is due to suicide committed within the first 2 years of protection; (2) is due to an intentionally self-inflicted injury; (3) is due to a Pre-existing Condition; (4) results from war or any act of war, whether declared or undeclared; (5) occurs on or after your 70th birthday; (6) results from the same occurrence for which you have already received benefits under this Agreement. Benefits will also not be provided under one Protected Event if you are currently receiving benefits under another Protected Event.

The following exclusions apply in addition to the above:

Benefits will not be provided under Disability protection if:

(1) the disability is related to a normal pregnancy, normal childbirth, or elective abortions. Complications due to pregnancy or childbirth will only be protected if the complications themselves are the cause of the disability.

Benefits will not be provided under Involuntary Unemployment protection if:

(1) your job is terminated because: (a) you retire; (b) you quit or resign your employment for any reason; (c) you lose your employment due to (i) willful or criminal misconduct; (ii) discharge from active military service; (iii) disability caused by sickness or injury; or (iv) a strike, lockout, or labor dispute; (2) the involuntary unemployment commences within 90 days after your Effective Date.

Benefits will not be provided under Hospital Stay if:

The hospitalization commences within 90 days after the Effective Date.

#### GENERAL PROVISIONS

How do I obtain benefits and verify a Protected Event under the Plan?

To obtain benefits under the Plan, you must notify us of a Protected Event within 30 days or as soon as possible, but no later than six (6) months after the occurrence of the Protected Event, and provide any documentation or information required by us at the time of your claim and/or throughout the period for which Payments are being cancelled. You must be able to verify the Protected Event to our satisfaction. If your delay in filing a claim prevents us in any way from determining eligibility under the Plan, no benefit will be issued.

What if I sustain an unrelated injury or sickness while I am disabled?

If you are disabled ("original occurrence") and sustain an additional sickness or injury which would be in and of itself disabling, the additional sickness or injury will not be considered a new occurrence of Disability, but rather will be considered the same occurrence. This means that you will receive benefits only if you did not exhaust your maximum per-occurrence benefits in connection with the original occurrence.

What if I suffer a recurrence of the same or related Protected Event?

If you incur a claim for the same type of Protected Event again within six (6) months after you have recovered or returned to full-time work, we will consider this a continuation of the prior event. (For disability, however, this only applies if you are disabled due to the same condition.) This means that the maximum number of cancellations per occurrence for the prior event will still apply; if that maximum was already reached, no benefits will be issued. If you incur a claim for the same type of Protected Event again more than six (6) months after you have recovered or returned to full-time work, we will consider this a new event and the terms and conditions of the Plan apply as if no prior event occurred. This provision applies whether you return to work full-time with the same or different employer.

What is the status of my loan following the occurrence of a Protected Event?

During the time it takes to process your request for benefits, you are responsible for making your monthly payment by the due date. Once benefits begin, you are responsible for any difference between the minimum payment due on the loan and the amount that is cancelled.

What if the term of my loan ends while I am receiving cancellations under the Plan?

Regardless of the number of cancellations you may otherwise be entitled to, cancellations will cease if the loan is paid off, refinanced, sold or transferred, or discharged for any reason.

How can the Plan be terminated?

You may terminate this Agreement at any time by writing us at Horizon Credit Union, P.O. Box 15128, Spokane, WA 99215. If you do so within thirty (30) days of your enrollment in the Plan, we will credit your loan account for any fees charged for this protection. We can terminate this Agreement by giving you written notice at least thirty (30) days in advance of the termination. Termination by us or you will be effective on the first of the month following termination. Fees for the month in which notice of termination is received will still be due and collected from the loan payment.

Your Plan participation will terminate without advance notice if (1) your loan is paid off, refinanced, sold or transferred, or discharged for any reason; (2) required loan payments are past due by 90 days or more; if you bring your loan current after your Protection has been terminated for delinquency, protection will not be reinstated automatically and you must reapply for the Plan. (3) you fail to pay the Plan Fee; (4) when you reach age 70 or die. For Joint Protection, when the oldest borrower reaches age 70, the oldest borrowers protection terminates. Protection will automatically convert to Single Protection for the younger borrower. Once the younger borrower reaches age 70, all protection will terminate. If either borrower dies, any death benefits available will be paid, subject to the terms of this Agreement, and the protection for that borrower will terminate; or (5) the protected Outstanding Balance is paid off under the terms of the Plan or all maximum cancellations are reached.

What are the tax implications?

You may be subject to federal, state and local taxes on the amount of your cancelled loan payment or balance. You should consult your tax advisor. We or the Plan Administrator do not provide you with guidance on the tax implications, if any, of a cancelled debt.

What if I have questions about the Plan?

Telephone us at 800-852-5316 or write to us at Horizon Credit Union, P.O. Box 15128, Spokane, WA 99215 if you have any questions regarding this Plan.