



TwinStar Credit Union
PO Box 718
Olympia, WA 98507-718
800.258.3115
www.twinstarcu.com

CREDIT CARD AGREEMENT

ACCOUNT NUMBER

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 TWINSTAR CREDIT UNION OR ITS SUCCESSORS.

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

YOU GRANT US A SECURITY INTEREST UNDER THE WASHINGTON UNIFORM COMMERCIAL CODE FOR ANY GOODS PURCHASED.

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, all collateral securing such loans now and in the future 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 cash advance credit limit. You agree not to present your Card or obtain a cash advance for any extension of credit in excess of your available cash advance 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. You may transfer a balance from an existing credit card account to your TwinStar credit card. Balances owed on other types of loans may not be applied as a balance transfer.

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. If you do not pay the new balance for purchases within the grace period, your interest charge will accrue on any unpaid purchase transactions from the first day of the billing period in which the payment is due. 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 (360) 357-9911. You agree to follow up your call with notice in writing to us at: TwinStar Credit Union, PO Box 718, Olympia, WA 98507-718. 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. The zero liability will apply provided you are not negligent or fraudulent in handling your card; otherwise your liability for unauthorized credit card transactions shall not exceed \$50.00.

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.

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 TWINSTAR CREDIT UNION OR ITS SUCCESSORS.

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 purchase 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. If your outstanding balance exceeds \$1, 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 Military Lending Act applies to this credit card account if at the time you establish the account you are an active member of the military or a dependent (as defined in the Military Lending Act, 10 U.S.C. 987 and implementing regulations). The following terms and conditions amend your credit card agreement and apply during any period(s) in which you are active military or a dependent under those definitions. They do not apply when you are not an active duty member of the military or a dependent:

- 1. 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 or participation fee unless they are bona fide and reasonable under the MLA. To receive this notice verbally, please call 1-800-258-3115 during our normal business hours.
- Advances will not be secured by a consensual lien on shares or deposits in any of your share or deposit accounts unless you specifically agree to establish a secured share or deposit account in connection with this credit card account ("Secured Account"). Only funds deposited into the Secured Account after the credit card is established will secure advances. Any cross-collateralization provision contained in your credit or membership documents will not apply to the Secured Account or your other share or deposit accounts for this account.
However, with regard to this credit card account, we still reserve our rights regarding statutory liens and administrative freeze under federal or state law. Any contract terms in your credit card, security, or membership agreements that contradict the above shall be inapplicable.
- Your credit card account is not subject to mandatory arbitration and therefore any reference to mandatory arbitration in connection with this credit card account does not apply.

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:

1. Your name and account number.
2. The dollar amount of the suspected error.
3. 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:

- 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:

1. 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.)
2. 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.
3. 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.

By signing below, I agree to the terms on pages 1-3.

| | |
|----------------------|------|
| BORROWER'S SIGNATURE | DATE |
| X | |

| | |
|-------------------------|------|
| CO-BORROWER'S SIGNATURE | DATE |
| X | |

APPLICATION AND DISCLOSURES for PAYMENT PROTECTION PLAN - CREDIT CARDS

This Product is Optional. Your purchase of the Payment 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.

| | | Cost: |
|---|--|---|
| I ELECT: (Check only one box) | | Open-end Loans: per \$1,000 of monthly outstanding loan balance |
| PLAN 1: Plan #382649 Death: Cancels loan balance | | Single: \$1.42 Joint: \$2.27 |
| PLAN 2: Plan #382650 Accidental Death: Cancels loan balance Disability: Cancels up to 12 Payments Family Leave: Cancels up to 3 Payments | | Single: \$2.34 Joint: \$4.40 |
| PLAN 3: Plan #512684 Disability: Cancels up to 12 Payments Involuntary Unemployment: Cancels up to 3 Payments | | Single: \$2.98 Joint: \$5.67 |
| PLAN 4: Plan #382651 Death: Cancels loan balance Disability: Cancels up to 12 Payments | | Single: \$2.97 Joint: \$5.22 |
| <p>*Benefit Maximums: Death Protection cancels a maximum of \$75,000. Cancellations listed are per occurrence. Monthly cancellations 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.</p> | | |
| <p>No, I do not wish to apply for the voluntary Payment Protection Plan at this time. _____ (Borrower 1 initials) _____ (Borrower 2 initials)</p> | | |

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 Involuntary Unemployment protection:* I am presently working twenty-four (24) or more hours per week; (4) *if applying for Involuntary Unemployment protection:* I am not self-employed, and I have not received unemployment benefits within the past 2 years.

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 *Payment Protection Plan 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 |
| X | |

| | |
|---|------|
| BORROWER 2 SIGNATURE (If applying for Joint Protection) | DATE |
| X | |

PROGRAM AGREEMENT for PAYMENT PROTECTION PLAN - CREDIT CARDS

As used in this Payment 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 Payment Protection under this Agreement. “We”, “Our”, “Us” means, TwinStar Credit Union, 4525 Intelco Loop South East, Lacey, WA 98503. “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 Payment Protection Plan (“Plan”), you agree to abide by the terms of this Agreement. The Payment 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 open-end credit plan.

Presently 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, Disability or Family Leave 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 an 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: closed-end consumer loans if the loan has a term of 120 months or less; open-end consumer credit plans and unsecured lines of credit; and credit cards.

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 Payment 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 Payment 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 (Plans 1 & 4; Joint Protection Available)

What is the Death benefit?

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.

ACCIDENTAL DEATH (Plan 2; Joint Protection Available)

What amounts are cancelled under Accidental Death protection?

If you, or your joint borrower covered under a Joint Plan, dies solely as a result of an accidental injury, we will cancel the amount of your Outstanding Balance as of the date of death, up to a maximum of \$75,000. If both protected Borrowers die simultaneously, we will cancel the remaining outstanding balance on the loan in accordance with the terms of this Agreement, and protection will terminate. In no event will an excess of \$75,000 be cancelled.

What does death solely by accidental injury mean?

Accidental death protection is limited protection. This means your protection will provide benefits only when your death results, directly and independently from all other causes, from an accidental bodily injury which was unintended, unexpected and unforeseen. The bodily injury must be evidenced by a visible contusion or wound, except in the case of accidental drowning. The bodily injury must be the sole cause of your death. The injury and accidental death must occur while your protection is in effect. Your death must occur within 90 days after the date of the accidental injury.

DISABILITY (Plans 2, 3 & 4; 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 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 14 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 twelve (12) 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, regardless of the number of occurrences. The maximum monthly cancellation is \$1,000.

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 (Plan 3; Joint Protection Available)

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

Involuntary Unemployment means that you involuntarily lost your full-time employment and you are eligible for, and are receiving, 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, regardless of the number of occurrences. The maximum monthly cancellation is \$1,000.

FAMILY LEAVE (Plan 2; Joint Protection Available)

What does Family Leave mean and how do I qualify for Family Leave benefits?

Family Leave means an employer-approved, continuous leave of absence taken under the federal Family and Medical Leave Act (FMLA). *Continuous leave of absence* means that you take a leave under the FMLA for 30 consecutive days, with your employers approval, for one of the following reasons: (1) to care for an immediate family member (or oneself) with a serious health condition; or (2) to attend to the needs of your newborn or newly-adopted child. *Serious health condition* means an illness, injury, impairment, or physical or mental condition that involves (a) inpatient care in a hospital, hospice, or residential medical care facility; or (b) continuing treatment by a health care provider.

What is the Family Leave benefit?

We will cancel 1/30th of the Payment for each day you are on leave, beginning with the date your leave began and continuing for up to three (3) Payment cancellations per occurrence or until you return to work, whichever is earlier. Cancellations are limited to a total of three (3) Payments per occurrence and a total of \$15,000 over the term of the loan, regardless of the number of occurrences of Family Leave or whether they are considered "new occurrences" or the "same occurrence". The maximum monthly cancellation is \$1,000.

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:

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) a normal, routine or seasonal shut-down; (iii) discharge from active military service; (iv) disability caused by sickness or injury; or (v) a strike, lockout, or labor dispute; (2) the involuntary unemployment commences within 90 days after your Effective Date; or (3) you received unemployment benefits within 2 years prior to applying for the Plan.

Benefits will not be provided under Family Leave protection if:

(1) the leave of absence is intermittent or less than 30 consecutive days; or (2) the leave of absence does not qualify under the federal Family Medical Leave Act; or (3) the Family Leave commences within 180 days after the Effective Date.

Benefits will not be provided under Accidental Death protection if:

Your death is caused directly or indirectly by, results from, or there is contribution from, any of the following:

1. self-inflicted injury or self destruction, whether sane or insane;
2. suicide or attempted suicide, whether sane or insane;
3. your participation in or your attempt to commit a crime, assault or felony;
4. bodily or mental infirmity, illness or disease;
5. the use of alcohol, drugs, medications, poisons, gases, fumes or other substances taken, absorbed, inhaled, ingested or injected, unless taken upon the advice of a licensed physician in the verifiable prescribed manner and dosage;

6. motor vehicle collision or accident where you are the operator of the motor vehicle and your blood alcohol level meets or exceeds the level at which intoxication is defined in the state where the collision or accident occurred, regardless of the outcome of any legal proceedings connected thereto;
7. infection, other than infection occurring simultaneously with, and as a direct result of, the accidental injury;
8. medical or surgical treatment or diagnostic procedures or any resulting complications;
9. travel in or descent from any aircraft, except as a fare-paying passenger on a regularly scheduled commercial flight on a licensed passenger aircraft carrier;
10. war or any act of war, whether declared or undeclared.

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 TwinStar Credit Union, PO Box 718, Olympia, WA 98507. 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 (1) if your loan is paid off, refinanced, sold or transferred, or discharged for any reason; (2) if required loan payments are past due by 90 days or more; (3) if you fail to pay the Plan Fee; (4) when you reach age 70 or die (see below for more information if you have Joint Protection); or (5) the protected Outstanding Balance is paid off under the terms of the Plan or all maximum cancellations are reached. If you bring your loan current after your Protection has been terminated for delinquency, protection will not be reinstated automatically and you must re-apply for the Plan.

What if I have Joint Protection and my co-borrower reaches age 70 or dies?

If your co-borrower reaches age 70, the co-borrowers protection terminates. Your protection will automatically convert to Single Protection and your monthly fee will be adjusted accordingly.

If your co-borrower dies, any death benefits available will be paid, subject to the terms of this Agreement, and your protection will automatically convert to Single Protection. Your monthly fee will be adjusted accordingly.

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 1-800-258-3115 or write to us at TwinStar Credit Union, PO Box 718, Olympia, WA 98507 if you have any questions regarding this Plan.