

CASHMERE VALLEY CREDIT CARD AGREEMENT

This Credit Card Agreement (“Agreement”) is your contract with us. It governs the use of your card and account. The enclosed Interest Rate and Interest Charges disclosure (“Disclosure”) is part of this Agreement. Please read this Agreement, including the Disclosure, carefully. Keep them for your records.

Definitions

account means the relationship established between you and us by this Agreement.

APR or an “annual percentage rate” is an annualized interest rate.

authorized user means any person you allow to use your account.

billing period is the period of time covered by the bill we send you. A billing period begins on the day after the Statement Closing Date of the previous billing period. It includes the Statement Closing Date of the current billing period.

card means one or more cards or other access devices that we give you to get credit under this Agreement. This includes account numbers.

We, us, and our mean Cashmere Valley Bank, the issuer of your account.

You, your, and yours mean the person(s) who applied to open the account. It also means any other person responsible for complying with this Agreement.

Your Account

You agree to use your account in accordance with this Agreement. You must pay us for all amounts due on your account. This Agreement is binding on you unless you close your account within 30 days after receiving the card and you have not used or authorized use of the card. Your account must only be used for lawful transactions.

Authorized Users. You may request additional cards for authorized users. You must pay us for all charges made by authorized users. You must pay us even if you did not intend to be responsible for those charges. You must notify us to withdraw any permission you give to an authorized user to use your account.

Revolving Credit Limit. Your initial revolving credit limit is on the card carrier. The full amount of your revolving credit limit is available to use where the card is honored. The limit is also available for cash advances, although ATMs and others may restrict the amount they advance. We may reduce or increase your revolving credit limit at any time for any reason as permitted by law. We will notify you of any change, but the change may take effect before you receive the notice. We may permit you to incur charges that cause your New Balance to go over your revolving credit limit, typically by no more than an additional five percent on purchases. We do not charge an overlimit fee or raise the interest rate if this occurs. Your minimum payment due will include the amount by which your New Balance goes over your revolving credit limit. You must pay this amount whether it is due to purchases, cash advances, interest charges, fees, or other charges.

Checks. We may, from time to time, provide you with convenience checks. You may use them to get a cash advance, transfer balances or make purchases. Use of a convenience check will be a cash advance even if you use the check to make a purchase or make a payment to another creditor. You may not use convenience checks to pay an amount owed to us under this Agreement or to pay another account with us or an affiliate. We do not certify these checks or return any checks that have been paid.

Billing Statement. We will send you a billing statement if you have had any activity during the billing cycle or if you have any charge or balance at the end of the billing cycle. Your billing statement shows the New Balance. This is the total amount you owe us on the Statement Closing Date. To determine the New Balance, we begin with the total balance at the start of the billing period. We add any purchases, balance transfers or cash advances. We subtract any credits or payments. We then add any interest charges or fees and make other adjustments.

We deliver a billing statement to only one address. You must notify us of a change in address. We may stop sending you statements if we deem your account uncollectible or start collection proceedings; but we may continue to add interest and fees as permitted by law.

Rewards Programs. If your account is issued under an Airline Rewards or Pinnacle Cash Rewards program, your participation is subject to all applicable program rules, as they may be amended from time to time. Rewards earned will be forfeited as of the date your account is terminated or closed.

APRs

Account APRs. For the APRs on your account, see the Disclosure.

Variable APRs Based on Prime. If any APR is based on the U.S. Prime Rate ("Prime Rate"), the APR will equal the Prime Rate plus an additional amount. The additional amount appears on the Disclosure in the "Other Important Information" section on the Disclosure. If the Prime Rate increases, it will cause the APR to increase. If the Prime Rate decreases, it will cause the APR to decrease. We apply the new APR to any existing balances, subject to any promotional rate that may apply. If The Wall Street Journal does not publish the Prime Rate, we will use a similar published rate.

Variable rates for your account will be updated twice a year. We calculate your variable rates by adding a percentage to the Prime Rate published in The Wall Street Journal on the 15th day of February (applicable to billing cycles beginning in March) and on the 15th day in August billing date (applicable for billing cycles beginning in September). If The Wall Street Journal is not published on the 15th of the month, we use the Prime Rate published on the next publication date.

Introductory/Promotional APRs. If your account is eligible for an Introductory or promotional rate, the Disclosure will describe the duration of that rate and the types of balances to which it applies.

Effect of APR Increases. If an APR increases, interest charges increase. Your minimum payment may increase as well.

Interest Charges Based on APRs

Interest Charges. We impose interest charges when we apply APRs to your account balances. We do this monthly by using a monthly periodic rate. To get a monthly periodic rate, we divide the APR by 12.

When Interest Charges Begin. We begin to impose interest charges the first day we add a charge to a daily balance. The charges we add to a daily balance include purchases, balance transfers, and cash advances.

Grace Period on Purchases. You can avoid interest charges on purchases, but not on cash advances and balance transfers. This is called a grace period on purchases. Your Payment Due Date is at least 23 days after the close of the billing period. We will not charge any interest on purchases if you pay your entire New Balance each month. We will begin charging interest on cash advances and balance transfers on the Transaction Date.

Calculation of Interest Charges—Average Daily Balance Method (Including New Transactions). We calculate interest charges each billing period on the Purchases average daily balance, on the Balance Transfers average daily balance, and on the Cash Advances average daily balance. To do this:

We take the beginning balances of your account each day (after adding all new purchases not excluded as noted above and all new balance transfers and cash advances) and subtract any payments, credits, non-accruing fees and unpaid finance charges (see Application of Payments section, below). This gives us the daily balances.

Then we add up all the daily balances for the billing period for Purchases, Balance Transfers, and Cash Advances and then divide each by the total by the number of days in the billing period. The result is the average daily balances for Purchases, Balance Transfers and Cash Advances.

We then multiply the applicable monthly periodic rate, which is the Annual Percentage Rate divided by twelve, by the average daily balance. The result is the average daily balance finance charge for the billing period.

When we calculate daily balances, we add a purchase as of the Post Date on the billing statement. We add a balance transfer or cash advance as of the Transaction Date on the billing statement. (The Post Date is the date the transaction is posted to your account. The Transaction Date is the date the transaction occurred, but when you use a cash convenience check directly, the Transaction Date is the date we receive the check for payment.) We add any transaction fee to the same balance as the

transaction. We generally add other fees to the purchase balance. We subtract a payment or credit as of the day it is credited to the account and then make other adjustments. We treat a credit balance as a balance of zero.

Balance Subject to Interest Rate. Your statement shows a Balance Subject to Interest Rate. It shows this for each different balance. The Balance Subject to Interest Rate is the average of the daily balances during the billing period.

Application of Payments. Payments in excess of the Minimum Payment Due are applied in accordance with law. This means that we will generally apply payments in excess of the Minimum Payment Due to balances with higher APRs before balances with lower APRs.

Fees

Fees. We currently assess late payment fees, returned payment fees and foreign transaction fees, as listed on the Disclosure.

Information on Foreign Currency Conversion.

Our network providers are MasterCard and Visa. They convert transactions in foreign currencies into U.S. dollars. The type of card you have determines who does the conversion. Each network provider follows its own procedures. Each network provider's current procedures are described below. The procedures may change from time to time without notice.

- MasterCard uses a conversion rate in effect one day before its transaction processing date. It uses a government-mandated rate if required to do so. If not, it uses a whole-sale market rate.
- Visa uses a conversion rate in effect on its applicable central processing date. It uses a government-mandated rate if required to do so. If not, it selects from the range of rates available in wholesale currency markets. The selected rate may vary from the rate Visa receives.

A third party may convert a transaction into U.S. dollars or another currency before sending it to our network provider. In these cases, the third party selects the conversion rate.

The conversion rate you get is the one used on the transaction's processing date. This may be different from the one in effect on the transaction's Sale Date or Post Date.

Documentary Stamp Taxes

In the event any documentary stamp tax is required by law, it shall be imposed on each Cash Advance at the time the loan is made.

Payments

Minimum Payment Due. You must pay at least the Minimum Payment Due by the payment due date each billing period. The sooner you pay the New Balance, the less you will pay in interest charges.

The minimum payment required is the New Balance shown on your statement if the amount is equal to or less than \$25.00.

If the New Balance exceeds \$25.00 the minimum payment is 2.5% of the New Balance, rounded up to the nearest dollar, or \$25.00, whichever is greater, plus the entire portion of the New Balance in excess of your credit limit, plus any amount past due.

The Minimum Payment Due is never more than the New Balance.

Payment Instructions. We credit your payments in accordance with our payment instructions on the billing statement. You must pay us in U.S. dollars. To do so, you must use a check, similar instrument, or electronic debit that is drawn on and honored by a bank in the U.S. Do not send cash. We can accept late or partial payments, or payments that reflect "paid in

full” or other restrictive endorsements, without losing our rights. We also reserve the right to accept payments made in foreign currency and instruments drawn on funds on deposit outside the U.S. If we do, we select the currency conversion rate. We will then credit your account in U.S. dollars after deducting any costs incurred in processing your payment. Or we may bill you separately for these costs.

Security. Regardless of any other agreement with us, this credit card plan is not secured, except that if you have executed a written agreement granting a security interest in any savings or other funds held by us to secure your obligations under this credit card plan, such accounts and/or funds will serve as security for your obligations to us arising from the use of your account.

Credit Reporting

We may, from time to time, 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. We may report account information in your name and the names of authorized users. We may also, from time to time, obtain follow-up credit reports on you.

If you think we reported incorrect information to a credit bureau, write us at the Customer Service address on the billing statement. We will investigate the matter. We will then tell you if we agree or disagree with you. If we agree with you, we will contact each credit bureau to which we reported and request a correction. If we disagree with you, we will tell you that.

Information Sharing

You authorize us to share information about you as permitted by law. This includes information we get from you and others. It also includes information about your transactions with us. Please see our Privacy Notice for details about our information sharing practices.

Changes to this Agreement

We may change the rates, fees, and terms of this Agreement from time to time as permitted by law. The changes may add, replace, or remove provisions of this Agreement. We will give you advance written notice of the changes and a right to opt out to the extent required by law.

Default

You default under this Agreement if you fail to pay the Minimum Payment Due by its due date; pay by a check or similar instrument that is not honored or that we must return because it cannot be processed; pay by electronic debit that is returned unpaid; file for bankruptcy or are insolvent; made any untrue, misleading or incomplete statement to us on your application and other documentation; are deceased; we make a determination in good faith that you are unwilling or unable financially to perform your obligations under this Agreement; or seizure, attachment, or garnishment proceedings are instituted against any of your property. If you default, we may close your account and, to the extent permitted by law, demand immediate payment of the total balance. If you gave us a security interest in a Certificate of Deposit or Savings Account, we may use the deposit amount to pay any amount you owe. A default may also result in the cancellation of any accrued points or cash back eligibility, if applicable.

Refusal of the Card, Closed Accounts, and Related Provisions

Refusal of the Card. We do not guarantee approval of transactions. We are not liable for transactions that are not approved. That is true even if you have enough credit. We may limit the number of transactions approved in one day. If we detect unusual or suspicious activity, we may suspend your credit privileges.

Preauthorized Charges. We may suspend any automatic or other preauthorized card charges you arrange with a third party. We may do this if you default; if the card is lost or stolen; or we change your account for any reason. If we do this, you are responsible for paying the third party directly if you wish to do so. You are also responsible for reinstating the preauthorized charges if you wish to do so and we permit it

Lost or Stolen Cards, Account Numbers, or Cash Convenience and Balance Transfer Checks. You must call us if any card, account number, or check is lost or stolen. You must also call us if you think someone used or may use them without permission. When you call, we may require you to provide information to help our investigation. We may require you to

provide this information in writing. For example, we may ask you to identify any charges that were not made by you or someone authorized by you. We may also ask you to confirm that you received no benefit from those charges.

Closing Your Account. You may close your account by notifying us in writing. If you close your account, you must still repay the total balance in accordance with this Agreement. We may also close your account or suspend account privileges at any time for any reason. We may do this without prior notice to you. We may also reissue a different card at any time. You must return any card to us upon request.

Closing Savings Secured Accounts. If your account is a savings secured account, you gave us a security interest in a Savings Account. This secures repayment of your account. If wish to close your account and there are not enough funds in the Savings Account to pay the balance in full, you will be required to pay us the difference to us prior to our applying the Savings Account balance to your account. In the event of default we may apply the Savings Account balance to the account at any time. Any remaining balance will remain your responsibility under this Agreement. See your Credit Card Assignment of Savings agreement for additional information.

Governing Law/Venue. Federal law and the law of Washington State, where we are located, govern the terms and enforcement of this Agreement. Any dispute arising out of this Agreement must be brought in the federal or state courts with jurisdiction in Chelan County, Washington, and you will submit to personal jurisdiction in those courts.

Enforcing this Agreement. We will not lose our rights under this Agreement because we delay in enforcing them or fail to enforce them.

Collection Costs. To the extent permitted by law, you are liable to us for our collection costs and legal costs. These costs may include reasonable attorneys' fees. They may also include costs and expenses of any legal action.

Severability

In the event that any part of this Agreement shall be determined to be invalid, illegal or unenforceable to any extent, the remainder of this Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

Assignment. We may assign any or all of our rights and obligations under this Agreement to a third party. However, you may not assign any portion of this Agreement without our prior written consent.