

# FIRST OPTION BANK VISA PURCHASING CARD AGREEMENT

Effective November 3, 2022

1. In this agreement “you” and “your” means and/or includes the business and/or includes each person who has signed the application and/or are authorized by the business for a First Option Bank, (FOB) account, as an individual user. “You” and “Your” also refer to the businessperson who has signed a FOB card or a VISA sales draft or cash advance request as an authorized signer. “We”, “us”, “our” and “Bank” refer to First Option Bank, P.O. Box 277, Osawatomie, KS 66064. “Card” means any VISA Business Card(s) issued to you by us, or other single credit device being used from time to time upon presentation to obtain money, property, or services on credit; “Card” is implied when you obtain credit by using your account number without using the Card. If more than one person has signed the application and/or are authorized by the business for an account, this agreement applies equally to each authorized signer.
2. You agree that this agreement is entered into at Osawatomie, Miami County, Kansas, and credit card(s) are issued based on our acceptance of the business application at our principal place of business as indicated in paragraph 1 heretofore.
3. This agreement governs any account for which you are liable now or in the future. By signing your card or using your account, or allowing someone else, you accept the terms of this agreement.
4. You agree to sign your card immediately upon receipt. If you fail to do so, and your card becomes lost or stolen, you may be liable for any fraudulent activity, if it is determined that you were grossly negligent in the handling of the account or card.
5. We issue credit card(s) at your request for your use alone, but they are our property. We may renew your card(s) from time to time. We may cancel or revoke credit privileges at any time without changing your liability for credit we have already extended you. You agree to deliver at our demand any card(s) issued on behalf of your business to us or to our agent. We may issue you a different card(s) at any time.
6. You authorize us to charge to your account all purchases obtained with your account number. We agree to advance amounts necessary to pay for all proper purchases and advances, provided you are not over your credit line, past due or in default and you abide by the terms in this agreement.
7. You hereby assume the complete responsibility for the use and control of the card(s) requested by you and all charges on said card(s) even though the use may not be primarily for your benefit regardless of the time of day when said card(s) may be used. You agree to pay, in U.S. Dollars, as this agreement may require, for all indebtedness incurred by the authorized use of the card(s) or the appropriate account number(s), subject to the current VISA Business Card Agreement.
8. You agree that “authorized use” means any purchase, cash advance, mail order or other credit incurred through the use of the requested credit card(s) or your assigned account number(s), by you or at your direction and/or with your consent or permission, regardless of the benefit or use. You may not use your card(s) for any illegal purpose or transaction.
9. We offer both REVOLVING and NON-REVOLVING business credit card accounts.
  - a. REVOLVING ACCOUNTS You agree to pay us within **25 days** from the “Closing Date” shown on each monthly statement either (a) the “New Balance” or (b) a part of the New Balance not less than the “Minimum Payment Due” that we have calculated as follows: 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 the greater of (1)

\$25.00 or (2) 1% of the New Balance (rounded up to the nearest dollar) plus any unpaid **FINANCE CHARGES** and unpaid late fees. The Total Minimum Payment will include the Minimum Payment calculated above, plus any amount in excess of your credit limit and any amount past due.

**b. NON-REVOLVING ACCOUNTS** You agree to pay the **Account Balance in full within 25 days from the “Closing Date” shown on each monthly statement. You promise to pay all Finance Charges and other charges connected with the credit card account. Failure to pay said Balance in full upon receipt of the billing statement may lead to cancellation of your account.**

Checks should be made payable to VISA. Only checks Payable to VISA will be accepted for payment.

10. As a condition of opening and maintaining a credit card account, you will be charged in advance a **\$25.00 Annual Fee per card** whether or not you use your card to access your account. You agree to pay this Annual Fee, which we will bill to your account. To avoid said Annual Fee, you must surrender said credit card(s) to FOB and close this credit card account prior to the annual anniversary date. Upon proper notice these fees may be changed from time to time.

11. A **FINANCE CHARGE** will be imposed on your account under the following conditions:

**a. PURCHASES** A **Finance Charge** will be imposed on Credit Purchases only if you do not pay the entire New Balance shown on your monthly statement for the previous billing cycle within 25 days from the closing date of that statement. If you do not pay the entire New Balance shown on your previous monthly statement within that 25 day period, a Finance Charge will be imposed on the unpaid average daily balance of such Credit Purchases from the previous statement closing date and on new Credit Purchases from the transaction date on your account during the current billing cycle, and will continue to accrue until the closing date of the billing cycle preceding the date on which the entire New Balance is paid in full or until the date of payment if more than 25 days from the closing date.

**b. CASH ADVANCES** A **Finance Charge** will be imposed on Cash Advances from the date made or from the first day of the billing cycle in which the Cash Advance is posted to your account, whichever is later, and will continue to accrue on the unpaid average daily balance of such Cash Advances until the date of payment if paid during the same billing cycle, or until the closing date of the billing cycle preceding the date on which the entire New Balance is paid in full or until the date of payment if more than 25 days from the closing date.

## 12. INTEREST RATE

**a. PURCHASES** If your account is subject to a **Finance Charge, your ANNUAL PERCENTAGE RATE may vary. Your Rate on purchases is determined by adding 6.92% to the “Prime Rate” published in the Wall Street Journal under the “Money Rates” subsection on the last business day of each month.**

**b. CASH ADVANCES** A transaction fee of **\$5.00 or 2% of the Cash Advance amount whichever is greater, will be imposed for each Cash Advance made at an automated teller machine and posted to your account during a billing cycle. A fee of \$10.00 or 2% of the Cash Advance amount, whichever is greater, will be imposed for Cash Advances made in person. We will compute the Finance Charge on a Cash Advance by applying a “Monthly Periodic Rate” of 1.908% per month, which is a corresponding APR of 22.9%**

**c. DEFAULT INTEREST RATE** If your account is or becomes more than **60 days past due at any time or is otherwise default in regard to any provision of the VISA Business Card Agreement, we may immediately increase the rate to a “Monthly Periodic Rate” of 1.908% per month (which is a corresponding ANNUAL PERCENTAGE RATE of 22.9%) effective with the first day of the next billing cycle of your account. An account is more than 60 days past due when the payment due is not made within 85 days**

**after a given closing date – 25 days to the scheduled Payment Due Date plus an additional 60 days.**

13. **OTHER CHARGES** – In addition to the Finance Charge and Annual Fee, you agree to pay the bank the following fees and charges:

**a. LATE PAYMENT FEES** If you do not pay the entire New Balance in full within 1 day after the Closing Date of the billing cycle in which the payment was due, a late payment charge of **\$25.00** will be imposed on your Account.

**b. OVERLIMIT FEE** If your New Balance exceeds your Credit Line on the Closing Date, an Overlimit Fee in the amount of **\$25.00** will be imposed on your Account.

**c. RETURN CHECK FEE** We will assess a return check charge of \$25.00 for any check or other form of negotiable instrument which is presented for payment on the Account and which is subsequently returned not paid.

**d. INTERNATIONAL TRANSACTION FEE** Foreign transactions are subject to a fee by Issuer, of **2%** of the U.S. dollar amount of the transaction and will apply to any cross-border transaction where the licensed VISA merchant and Issuer are located in different countries.

**e. DOCUMENTATION CHARGES** You may be assessed a charge of copies you request of a document (sales draft, cash advance draft, credit voucher) plus research time; copies of statements which were mailed to you; and any other pass-through fees assessed to us by VISA in connection with your account. No charge will be imposed in connection with any good faith assertion of a billing error on your account.

**f.** All costs collections including reasonable attorney fees as further noted in paragraph 25 herein.

**g. ATM USAGE** A fee may be imposed by an ATM operator not holding the consumer’s account, or by any national, regional, or local network used to complete the transaction. Automated teller machine operator means any person that operates an automated teller machine at which a consumer initiates an electronic fund transfer or a balance inquiry and does not hold an account to or from which the transfer was made, or about which an inquiry is made.

14. **PAYMENTS AND CREDITS** will generally be applied to amounts outstanding at the time the payment or credit is received in the following order: (1) Cash Advance Finance Charge (2) Purchase Finance Charges (3) Late Fees (4) Annual Fees (5) Cash Advance Accruing Balances (oldest balance is paid first) (6) Purchase Accruing Balances (oldest balance is paid first) (7) Non-Accruing Balances

15. We agree at no extra cost to provide you with up to 150,000 of insurance for accidental death or dismemberment whenever you travel on a common carrier if you buy your travel tickets with your VISA Business Card. A description of insurance terms and conditions will be provided upon written request.

16. **TRAVEL & EMERGENCY ASSISTANCE:** These services are available to VISA Business Card cardholders to provide assistance and referral 24 hours a day, 365 days a year.

17. We set your credit line when we open your account, and we may change it from time to time or at your request. Your credit line will appear on each monthly statement. You agree not to incur, or to let others incur, charges on your account that exceed your credit line. If the total charges do exceed the credit line, you agree to pay the balance in full.

18. If you revoke the authority of someone to use your account, revocations is not effective until that person’s card expires or you return it to us, whichever is first; you agree to be liable for any balance and/or outstanding purchases/cash advances made as of or prior to the expiration date of the card(s) or the card(s) are returned to us. You further understand and agree that in the event a Guaranty Agreement has been executed by another party and/or entity guarantying payment of this account and if such party and/or entity so guarantying payment of the account would terminate that guaranty, all credit card(s) issued hereunder may be terminated forthwith.

19. You agree to notify us promptly by telephone of the loss or theft of any credit card issued on behalf of your business. You may be liable for the unauthorized use of your credit card(s). You will not be liable for unauthorized use that occurs after you notify us by telephone at **(727) 570-4881** or **(800) 325-3678**. In any case, your liability will not exceed \$50.00. The liability of the business for such unauthorized use of this credit card shall not exceed the lesser of \$50.00 or the amount of money, property, labor, or services obtained by the unauthorized use before proper notification is given.

20. You agree that "unauthorized use" means the use of a credit card which has occurred or may occur as the result of loss, theft, or other wrongdoing, and which is by a person other than you or your agent, who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit.

21. We are not accountable if anyone refuses to honor a credit card with your account number. All Credit Purchases and Cash Advances are affected at the option of the Merchant and Cash Advancing Bank, respectively, and Issuer shall not be responsible for refusal by any Merchant or Cash Advancing Bank to honor the Card or any Related Card. Any refund, adjustment or credit allowed by Merchant shall not be by cash but rather by a credit advice to Issuer which shall be shown as a credit on Cardholder's account statement with Issuer

22. You agree to advise us promptly if you change your mailing address. We can accept address corrections from the U.S. Postal Service. All written notices and statements from us to you will be sent to your address as it appears on our records.

23. We will consider your account past due in the following cases: (a) **REVOLVING ACCOUNTS** We will consider your account past due if you fail to pay at least your minimum payment in funds acceptable to us by the date it is due. Your account will remain past due until any unpaid payment is paid. or (b) **NON-REVOLVING ACCOUNTS** We will consider your account past due if you fail to pay the entire New Balance in full in funds acceptable to us by the date it is due.

24. We can consider you in default if you provide us with false information or signature, if you try to exceed or do exceed your credit line without our permission, if you fail to provide updated information which we request from time to time, if you become subject to bankruptcy or insolvency proceedings, if attachment or garnishment proceedings are instituted against you or your property, if there is an event which we believe causes the prospect of payment to be significantly impaired, if you fail to comply with any provision of this agreement. Default on any account with us will constitute default on all accounts with us. Upon default, at our option and under applicable law, we can declare all amounts on your account immediately due and payable. Also, we can exercise all rights available to us under law to collect what you owe us. All remedies are cumulative and our failure to exercise any one shall not affect our rights to any other remedy.

25. If Bank incurs collection costs or attorney fees in connection with your account, as permitted by applicable law, you agree to pay the reasonable costs of collection, including, but not limited to, attorney fees and collection fees in an amount not to exceed 15% of the unpaid debt on your account if such limitation is required by law.

26. If you make a payment with a check, money order, or other type of instrument marked "Payment in Full" or other language indicating satisfaction or indebtedness, we are not bound by such language and do not waive any rights under this agreement. Where full payment of any indebtedness owing under this agreement is not made, satisfaction of indebtedness shall occur only pursuant to a written agreement, signed by an authorized employee of the Bank.

Communications regarding disputed balances must be sent to: Customer Service, P.O. Box 30495, Tampa, FL 33630.

27. Payments must be made to Issuer in U.S. dollars drawn on a U.S. bank. If the authorized signer incurs charges in any other currency, the charges will be converted into U.S. dollars. VISA – the exchange rate between the transaction and currency and the billing currency used for processing international transactions is either a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable central processing date.

28. **UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT OF 2006:** Transactions restricted by the Unlawful Internet Gambling Enforcement Act of 2006 are prohibited from being processed through this commercial account. You agree that such transactions will not be conducted through your account, and that you will notify First Option Bank should your account be used for Internet Gambling of any kind. Please be advised that should First Option Bank discover your account is being used for such restricted transactions, we may terminate your access to certain payment systems and/or close your account.

29. We can change the terms of this agreement including changing the periodic rate and the annual percentage rate on the existing balance of your account to the maximum rate allowed by law, even if that maximum rate increases after the date of this agreement. We will, of course, comply with applicable law about notice to you if we make any changes.

30. We can waive, or choose not to enforce, any of our rights under this agreement at any time, without the waiver affecting any of our other rights. A waiver on one occasion will not act as a waiver of the same right at a future time.

31. We may sell, assign, or transfer your Account or any portion thereof without notice to you. You may not sell, assign, or transfer your Account without first obtaining our prior written consent.

32. From time to time we may monitor telephone calls between you and us to assure the quality of our customer service.

33. We both agree that this agreement is governed by the laws of Kansas except to the extent that federal law applies.

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

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify us in Case of Errors or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet of paper at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your credit card bill automatically from your business checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must

reach us three business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive Your Written Notice

We must acknowledge your letter within 30 days unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct. After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit line. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we did not make a mistake, you will have to pay finance charges, and the balance will be due and payable in full upon receipt of your next billing statement. In either case, we will send you a statement of the amount you owe and the date that it is due. If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us in 10 days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill, and we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

#### **Special Rule for Credit Card Purchases**

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right:

You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and the purchase price must have been more than \$50.00. These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

## INTEREST RATE AND INTEREST CHARGES

<b>Annual Percentage Rate (APR) for Purchases</b>	<b>13.92%</b> Standard Rate for Purchases. See Interest Rate section of this agreement for more information. This APR will vary with the market based on the Prime Rate.
<b>APR For Cash Advances</b>	<b>22.9%</b>
<b>Penalty APR and When it Applies</b>	<b>22.9%</b> This APR may be applied to your account if you: 1.) become more than 60 days past due at any time 2.) or otherwise default in regard to any provision on the VISA Purchasing Card Agreement How Long Will the Penalty APR Apply? If your APRs are increased for any of these reasons, the Penalty APR will apply until you make six consecutive minimum payments when due.
<b>Paying Interest</b>	We will not charge you any interest on purchases if you pay your entire balance by the due date each month. The Interest Charge on cash advances begins from the date you obtained the cash advance.
<b>For Credit Card Tips from the Consumer Financial Protection Bureau</b>	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>
<b>FEES</b>	
<b>Annual Fees</b>	<b>Up to \$25.00 per cardholder</b>
<b>Transaction Fees</b>	
<b>Rush Ship Cash Advance</b>	Up to <b>\$25.00</b> 2% of the amount of each cash advance with a minimum fee of <b>\$5</b> per ATM transaction or <b>\$10</b> per in person transaction.
<b>Foreign Fees</b>	2% of each transaction in U.S. dollars.
<b>Penalty Fees</b>	
<b>Late Payment</b>	Up to <b>\$25.00</b>
<b>Over-the-Credit-Line</b>	<b>NONE</b>
<b>Returned Payment</b>	Up to <b>\$25.00</b>

**How We Will Calculate Your Balance:** We use a method called "average daily balance". See your account agreement for further information regarding how we calculate your balance.

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

**How We Will Calculate Your Variable APRs:** We calculate variable APRs by adding a margin to the highest U.S. Prime Rate published in the Money Rates section of The Wall Street Journal two business days (not weekends or federal holidays) before the closing date shown on your billing statement. The APR may increase or decrease each month if the Prime Rate changes. Any new rate will be applied as of the first day of your billing cycle during which the Prime Rate has changed. If the APR increases, you will pay a higher interest charge and may pay a higher minimum payment. The Prime Rate is simply a reference index and is not the lowest interest rate available. If The Wall Street Journal stops publishing the Prime Rate, we will select a similar reference rate.

**Prime Rate:** Variable APRs are based on the 7.00% Prime Rate as of November 3, 2022

**Cash APR:** Your Cash rate is **22.9%**. The monthly periodic rate of FINANCE CHARGES is 1/12th of the APR or **1.90833%**.

**Military Lending APR:** Effective October 1, 2017, 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; 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).