

CREDIT AGREEMENT TERMS

It is agreed that the following terms will govern the Credit Application and Agreement (this “**Agreement**”) established by the person(s) applying for credit with Pearl City Elevator, Inc. References to “you” and “your” in this Agreement mean the person(s) who sign this Agreement. References to “we,” “us” and “Pearl City” mean Pearl City Elevator, Inc.

1. **AGREEMENT TO PAY.** You agree to pay the billed price (including taxes) of goods and services charged to the Account governed by this Agreement, together with applicable interest charges. Payment for purchases is due before the last day of the month following the date of purchase (the “**Due Date**”). The amount due and the Due Date will be shown on your monthly “**Statement of Account**”. Failure to pay the amount due by the Due Date two (2) months in a row shall constitute a default under this Agreement.
2. **INTEREST CHARGES.** Interest at the periodic rate of two percent (2%) per month, which is an Annual Percentage Rate (APR) of twenty-four percent (24%), will be charged to any Credit (hereinafter defined) which is not paid in full by the Due Date. We determine the interest charge on your Statement of Account by applying the periodic rate to the “adjusted balance” of your Credit. We get the “adjusted balance” by taking the balance you owed at the end of the previous billing cycle and subtracting any payments and credits received during the present billing cycle. The closing date of the billing cycle is the last day of the month. Payment of interest charges is due by the Due Date as indicated on your Statement of Account. The minimum monthly interest charge is three and 50/100 dollars (\$3.50). Payments will be applied first to interest charges, then to goods and services in the order purchased, oldest first, unless otherwise stipulated and agreed to in writing by the parties.
3. **CREDIT LIMIT.** You will be notified as to the credit limit assigned for your credit (“**Credit**”). It is your responsibility to make sure that charges to your Credit do not exceed the assigned credit limit. In the event charges are made to your Credit in excess of your credit limit, you will be responsible for the full amount charged to your Credit, together with interest.
4. **DEFAULT.** In the event that you default on your obligations hereunder, Pearl City may accelerate all amounts due and owing to it, including interest charges, and take any and all remedies specified herein or any other remedies in equity or law.
5. **RETURNED PAYMENT FEE; COLLECTION COSTS.** A returned payment charge of fifty dollars (\$50.00) will be assessed for each check that is not honored or is returned because it cannot be processed, and for each EFT or automatic debit which is returned unpaid. In the event Pearl City initiates collection proceedings to collect a past due open Credit, all costs of collection including reasonable attorney’s fees incurred by Pearl City will be added to the amount due and payable by you unless prohibited by law. The terms of this Agreement shall apply to all unpaid charges incurred prior to the date of this Agreement and all future charges.
6. **FINANCIAL INFORMATION AND CREDIT REPORTS.** By signing this Agreement, the undersigned(s) authorize its/their lenders and creditors to provide credit information to Pearl City, including copies of financial statements and supporting schedules. The undersigned(s) also authorize(s) Pearl City to verify any information provided on the Credit Application and request business and consumer credit reports periodically from one or more credit reporting agencies (credit bureaus).
7. **NOTICE TO MARRIED WISCONSIN RESIDENTS:** No provision of a marital property agreement, a unilateral statement under Wisconsin Statute Section 766.59 or a court decree under Wisconsin Statute Section 766.70 adversely affects the interest of Pearl City unless Pearl City, prior to the time the Credit is granted, is furnished a copy of the agreement, statement or decree or has actual knowledge of the adverse provision when the obligation to said creditor is incurred. IF YOU ARE A MARRIED WISCONSIN RESIDENT, CREDIT EXTENDED UNDER THIS AGREEMENT IS INCURRED IN THE INTEREST OF THE MARRIAGE OR THE FAMILY.
8. **LIABILITY FOR PAYMENT.** Each person who signs this agreement is personally liable for payment of all purchases charged to any account which is opened pursuant to this Agreement, and all interest charges and costs of collection. Each person who signs this Agreement agrees that s/he shall be jointly and severally liable for payment of all obligations incurred pursuant to this Agreement.
9. **CHANGES TO YOUR CREDIT.** The terms of your Credit as set forth in this Agreement are not guaranteed for any period of time. We may change the terms of your Credit and this Agreement, including the rate of the interest charge and fees, in accordance with applicable law. We will give you written notice of any changes in the manner required by law. We may cancel your Credit or suspend your ability to charge purchases to your Credit without notice if you are in default. Even if you are not in default, we may cancel your Credit by providing notice to you.
10. **PATRONAGE.** You hereby consent to including in your gross income, as now or hereafter provided in the federal income tax laws, the stated dollar amount of each written notice of allocation which you receive from Pearl City with respect to your patronage occurring during the current and all subsequent taxable years of this cooperative. This consent shall be revocable by you at any time if in writing.

SUMMARY OF ACCOUNT TERMS

Interest Rate and Interest Charges	
Annual Percentage Rate (APR) for Purchases	24%
How to Avoid Paying Interest on Purchases	A Statement of Account will be sent to you each month. Your Due Date will be the last day of the month in which the Statement of Account is issued. We will not charge interest on purchases if you pay your entire balance by the Due Date each month.
Method of Computing the Balance for Purchases	We use the “adjusted balance method”. Please read the Credit Agreement terms for more details.
Minimum Interest Charge	\$3.50
Fees	
Annual Fee	\$0
Penalty Fees	Returned Payment: \$50.00