

# PIONEER BANK AND TRUST CARDHOLDER AGREEMENT

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**Pioneer Bank & Trust ("Issuer")**, 2018 Mt. Rushmore Rd., Rapid City, SD 57701 may issue under this Agreement a Visa Classic or Visa Gold credit card (the "Card"). The following services may be available under this agreement:

- a) Automated teller machines (see ATM Access)
- b) Credit purchases at participating merchants; and

Each person ("Cardholder") applying for a Card by using or authorizing another to use the Card hereby agrees with Issuer as follows:

Cardholder authorizes Issuer to pay for Cardholder's account items reflecting credit purchases and cash advances obtained through use of the Card.

## FEES AND CHARGES

**Annual Fee:** If the card issued is a Visa Gold credit card, Cardholder will have to pay an annual membership fee of \$25.00 for twelve months beginning on the date that the card is issued to Cardholder. Cardholder shall pay an annual fee of \$25.00 in which this amount shall be charged to the Cardholder's account on the anniversary date of the Card issuance. However, if the Cardholder(s) purchases goods and services of \$1,000 or more during each renewal year, the annual fee will be waived. If the Card issued is a Visa Classic credit card, the Cardholder will not have to pay an annual fee.

**Cash Advance Fee:** A fee in the amount of 2% not to exceed \$50.00 will be charged to the Cardholder's account for each cash advance.

**Late Payment Fee:** A fee in the amount of up to \$25.00 will be charged to the Cardholder's account if a full minimum payment has not been received within ten days from the Payment Due Date.

**Return Check Fee:** A fee will be assessed in the amount of up to \$25.00 if a check that has been executed by the Cardholder for payment due on their credit card account has been returned marked not paid.

**CREDIT LIMIT:** Issuer will inform Cardholder from time to time of the maximum amount of indebtedness ("Credit Limit") that may be outstanding at any time, which Credit Limit is made part of this Agreement by reference. Cardholder agrees not to use or permit the use of the Card in any manner that would cause the outstanding balance in Cardholder's account ever to exceed the Credit Limit. If the outstanding balance in Cardholder's account ever exceeds the Credit Limit, Cardholder shall pay such excess to Issuer upon demand by Issuer.

**CHANGE OF NAME AND ADDRESS:** Cardholder agrees to promptly notify Issuer of any change in name, address, or telephone number by writing Issuer at the return address shown on the periodic statements.

**PERIODIC STATEMENT:** As of the end of each billing cycle, Cardholder will be furnished a periodic statement showing, among other things, the amount of the purchases, cash advances, and Interest Charges posted to Cardholder's account during the billing cycle, together with payments and credits posted to the account. The periodic statement will also show the total amount due as of the end of the billing cycle designated as "New Balance".

**PAYMENTS:** Cardholder promises to pay Issuer at the address specified on the periodic statement for all credit extended, together with any Interest Charge as herein provided. All payments must be accompanied by the account number or payment coupon provided. Payments shall be made by check or money order in lawful U.S. dollars and immediately available funds. All payments received by 5:00 p.m. Mountain Time, Monday – Friday, except bank holidays at the address indicated on the statement will be credited to the Cardholder's account as of the date of receipt of payment. If payment is made at any location other than such address, credit for the payment may be delayed up to 5 days.

Cardholder agrees to pay Issuer:

- a. the entire New Balance by the Payment Due Date shown on the periodic statement
- b. or, at Cardholder's option, an amount which shall be at least 3% of the New Balance or \$10.00 whichever is greater, plus any amount that is past due and any amount that is in excess of the Credit Limit.
- c. If the New Balance is less than \$10.00, it shall be paid in full.

In the event that Cardholder has given Issuer a proper notification of a billing error, as that term is defined in the Truth-In-Lending Act and Regulation Z promulgated by the Board of Governors of the Federal Reserve System, the minimum payment will not include any amount attributable to the amount(s) of the item(s) covered by such notification.

If the New Balance is paid in full and posted to the Cardholder's account by the Payment Due Date, no Interest Charge is imposed on Current Billing Cycle Purchases (i.e. purchases itemized in the Current Periodic Statement).

Payments are applied first to billed interest charges, next to billed fees, next to billed cash advances, next to billed retail purchases, next to unbilled cash advances and then to unbilled purchases.

All credit for purchases and cash advances is extended at the option of the merchant or cashing bank, and the Issuer shall not be responsible for refusal of any merchant or bank to honor the card.

**INTEREST CHARGES:** Interest Charges are imposed from the date a Purchase or Cash Advance is posted to the Cardholder's account until the date that payment in full has been credited to Cardholder's account.

**HOW TO AVOID PAYING INTEREST ON PURCHASES:** Your due date is at least 25 days after the close of each billing cycle. Interest on purchases will not be charged if you pay your entire balance by the Payment Due Date each month,

**Variable Rate:** The Monthly Periodic rate of **INTEREST CHARGE** for New Purchases and Cash Advances (as defined in "Calculation of Interest Charge" below) is a variable rate equal to an index rate plus .583% (which variable rate corresponds to an **ANNUAL PERCENTAGE RATE** equal to the index rate plus 7.0%).

An increase or decrease in the index rate will result in a corresponding increase or decrease in the variable, monthly Periodic Rate applicable to New Purchases and Cash Advances, unless the floor rate is in effect. Such increases or decreases shall be effective on the first day of the billing cycle and shall be based on the index rate applicable on the last business day of that month which is immediately prior to the month in which such billing cycle commences. Such increases or decreases may occur as frequently as monthly. An increase in the variable monthly Periodic Rate (and the corresponding **ANNUAL PERCENTAGE RATE**) applicable to New Purchases and Cash Advances will increase the **INTEREST CHARGE** and your payments may be greater.

The index rate, unless subsequently changed by the Issuer, shall be the prime commercial lending rate as quoted in the Wall Street Journal. The prime commercial lending rate as quoted in the Wall Street Journal is a rate used solely for reference purposes. No inference should be drawn that such a rate of interest is necessarily available to any customer(s) for any purpose.

**Penalty Rate:** If your account is 60 days past due once in a twelve month period; the APR for purchases, cash advances, and balance transfers will increase to a variable index rate plus .917% (which variable rate corresponds to an **ANNUAL PERCENTAGE RATE** equal to the index rate plus 11.0%). We will provide you notice of this rate increase, when it will apply to your account, and for how long it will apply to your account, as required by applicable law. The Penalty Rate will apply to your account until such time as any delinquency is cured and your account is kept in a current and satisfactory status for six (6) consecutive billing periods. If you fail to make your required minimum monthly payments during the Penalty Period, the Penalty Rate will continue to apply.

**Calculation of Interest Charge:** If an interest charge is shown on the periodic statement, it is computed in the following manner: If payment in full for the entire New Balance shown on the periodic statement for the previous billing cycle is received by the Payment Due Date, we do not assess a periodic Interest Charge on Purchases. If such payment was not received when payment was due, then we figure the Interest Charge on the balance of your account by applying the following methods:

We figure the **Interest Charge for Purchases** on your account by applying the periodic rate to the "**Average Daily Balance (including current transactions)**". To get the "Average Daily Balance" we take the beginning balance of your account each day, add in any new purchases, then subtract any unpaid interest, unpaid fees, and any payments or credits. This gives us the daily balance. Then we add up all the daily balances for the billing cycle together and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance".

We figure the **Interest Charge for Cash Advances** on your account by applying the periodic rate to the "**Average Daily Balance (including current transactions)**". To get the "Average Daily Balance" we take the beginning balance of your account each day, add in any new cash advances, then subtract any unpaid interest, unpaid fees, and any payments or credits. This gives us the daily balance. Then we add up all the daily balances for the billing cycle together and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance".

**FOREIGN TRANSACTIONS:** The exchange rate between the transaction currency and the billing currency used for processing international transactions is:

- 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,

in each of the above instances, plus or minus any adjustment determined by the Issuer.

**ATM ACCESS:** If the card is encoded by us so as to permit its use to operate automated teller machines (ATM), Cardholder will be charged with any and all funds obtained by cash advances from any ATM which involves access by use of the Card. The Card may not be used to withdraw funds on deposit in Cardholder's checking or savings account, and Issuer shall have no obligation or responsibility with respect to any such service offered by any other financial institution. If you use an ATM, you may be charged a fee by the operator of the machine and/or by the ATM network.

**CREDIT INSURANCE:** Credit Insurance may be offered to Cardholder but is not required to obtain credit. If credit insurance is offered on the account and Cardholder elects to purchase credit insurance, the cost of such insurance will be calculated monthly by multiplying the Previous Balance of the Cardholder's account at the then current premium rate. Such cost will be added to the Cardholder's account and treated as a purchase.

**LOST OR STOLEN CARD OR UNAUTHORIZED USE:** If the Card is lost or stolen, Cardholder agrees to notify Issuer immediately and to cooperate with Issuer in all reasonable and appropriate ways, including but not limited to, providing Issuer with all facts and information known by or reasonably available to Cardholder regarding such loss or theft. Cardholder may be liable for unauthorized use of the card. Cardholder will not be liable for unauthorized use that occurs after Cardholder notifies Issuer at the address or telephone number provided on Cardholder's monthly statement, in writing or orally, of the loss, theft, or possible unauthorized use. In any case, your liability will not exceed \$50 for unauthorized cash advances at ATMs. You will have no liability for unauthorized purchases made with your VISA credit card.

**DEFAULT:** In the event that (a) the Card is cancelled or its surrender demanded by Issuer, (b) Cardholder defaults in any payment pursuant thereto, (c) Cardholder dies or seeks to obtain relief as a debtor in any proceeding under any bankruptcy, insolvency, or debtor-relief law, (d) any attachment or garnishment proceedings are initiated against Cardholder, Issuer may at its election declare all amounts then owed to Issuer by Cardholder to be immediately due and payable, without notice or demand of any kind, which are hereby waived by Cardholder.

Cardholder agrees to pay all amounts actually incurred by Issuer as (a) court costs, (b) attorney's fees set by a court, (c) lawful fees for filing, recording, or releasing in any public office any document securing Cardholder's account hereunder, (d) the reasonable costs actually expended for repossessing, storing, preparing for sale, or selling any collateral, (e) fees for noting a lien on or transferring a certificate of title to any motor vehicle securing Cardholder's account hereunder, and (f) premiums or other identifiable charges received in connection with permitted sale of insurance.

**CREDIT REPORTS:** Cardholder authorizes Issuer to investigate your credit record. Cardholder agrees that a credit report may be requested in connection with the processing of an application for credit, and subsequently in connection with any extension of credit, or any request to increase your credit limit, or any renewal or update of the account, or to take collection action on the account, or to investigate disputes regarding the account. If you ask, we will tell you if credit reports were requested, and the name and address of any credit bureaus that provided the reports. You understand that we may report negative information about your account to the credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

**OTHER AGREEMENTS, TERMS AND CONDITIONS:**

- a. Issuer may at any time, without liability to Cardholder and without affecting Cardholder's liability to Issuer for credit previously extended, decline to make further advances for Cardholder's account and revoke the Card, which remains the property of Issuer and which Cardholder agrees to surrender to Issuer upon demand.
- b. Cardholder authorizes Issuer or any credit bureau or other investigative agency employed by Issuer to investigate the references given to Issuer or statements or other data obtained from Cardholder or from any other person pertaining to Cardholder's credit or financial responsibility. Cardholder also authorizes Issuer (a) to retain any credit application submitted to Issuer by Cardholder, irrespective of whether any such application is approved or declined, and (b) to answer questions from other parties regarding Issuer's own credit experience with Cardholder.
- c. Cardholder agrees to furnish promptly to Issuer, at Issuer's request, such additional financial or other information concerning the assets, liabilities, operation, and transactions of Cardholder as Issuer may from time to time reasonably request.

**GOVERNING LAW:** This Agreement is made under and pursuant to the laws of the State of South Dakota, and the validity, construction and enforcement of the Agreement and all matters arising out of the issuance and the use of the Card shall be governed by the laws of that State, and, to the extent applicable, the laws of the United States of America.

**WARNING: THE TERMS OF THIS AGREEMENT MAY BE CHANGED IN ACCORDANCE WITH THE SOUTH DAKOTA UNIFORM CONSUMER CREDIT CODE AND OTHER APPLICABLE LAW.** No change which involves a significant cost to the Cardholder and which has not been consented to in writing will be made without providing the Cardholder an opportunity to reject the change by discontinuing use of the Card prior to the effective date of the change.

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**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 Think You Find A Mistake On Your Statement**

If you think there is an error on your statement, write to us at:

Pioneer Bank & Trust  
2018 Mt. Rushmore Rd.  
Rapid City, SD 57701

In your letter, give us the following information:

- **Account Information:** Your name and account number
- **Dollar Amount:** The dollar amount of the suspected error
- **Description of Problem:** 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 error *in writing*. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

**What Will Happen After We Receive Your Letter**

When we receive your letter, we must do two things:

- Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
- Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply an 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 questioned 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 our contact information listed above. 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.

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases, Cash Advances, and Balance Transfers	<p><b>10.25% APR</b></p> <p>This APR will vary with the market based on the Prime Rate.</p>
Penalty APR and When it Applies	<p><b>14.25% APR</b></p> <p>This APR will vary with the market based on the Prime Rate.</p> <p>This APR may be applied to your account if you</p> <ol style="list-style-type: none"> <li>1) Make a late payment</li> </ol> <p><b>How Long Will the Penalty APR Apply?:</b> If your APR is increased, the Penalty APR will apply until you make six consecutive minimum payments when due.</p>
How to Avoid Paying Interest on Purchases	<p>Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on cash advances on the posting date.</p>
For Credit Card Tips from the Federal Reserve Board	<p>To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at <a href="http://www.federalreserve.gov/creditcard">http://www.federalreserve.gov/creditcard</a></p>
Fees	
Annual Fee	<p><b>Classic: None</b></p> <p><b>Gold: \$25</b>-Waived after the first year with \$1000 of purchases per year.</p>
Transaction Fees	<ul style="list-style-type: none"> <li>• Cash Advance</li> </ul> <p><b>2%</b> of the amount of each cash advance (\$50 max.)</p>
Penalty Fees	<ul style="list-style-type: none"> <li>• Late Payment</li> <li>• Returned Payment</li> </ul> <p>Up to <b>\$25</b> at 10 days past due Up to <b>\$25</b></p>

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including current transactions)"

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in the Cardholder Agreement.