



CREDIT POLICY & AGREEMENT

As Approved by the Board of Directors

Corporate Office
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TERMS

Terms are cash for the amount of the purchase. Accommodation credit is available to patrons with approved credit. The cooperative does not extend "operational" or "long term credit."

Accommodation credit is defined as follows:

A statement of account shall be compiled for all patrons on the 25th of each month. The ending balance of the statement is due and payable in full by the 20th of the following month. This is not a revolving account. Payments are applied to the oldest charge first.

FINANCE CHARGES

A finance charge is computed by a periodic rate of 1 3/4 % per month which is an annual percentage rate of 21%. The charge is applied to the previous balance remaining unpaid on the 20th of each month.

In other words, the balance subject to the finance charge is the previous month's balance, less deductions for payments and credits applied within 20 days following the date of the statement. To avoid finance charges, full payment for the new balance shown on the monthly statement must be received in the Co-op by the 20th.

DELINQUENT ACCOUNTS

If the account is not paid in full within 30 days following the statement date, future credit privileges will be suspended. All sales and services will then be handled on a cash basis only unless other arrangements are made. The cooperative reserves the right to terminate credit sales to a patron at any time without prior notification.

CREDIT LIMITS

Each charge account is assigned a credit limit, and the total amount of charges is not to extend beyond that limit. No additional charges will be permitted once the limit has been met or passed. If the account holder feels that the limit should be changed, he or she can submit a written request to the Credit Manager at any time.

ELIGIBILITY

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

CHANGE IN TERMS

This agreement may be changed by the Cooperative Association to increase the finance charge, change the due date, change the billing cycle, change the method of calculating the finance charge, or change matters of a similar nature within limitations of applicable law. Notice of any such change shall be given to the patron in two billing cycles prior to the effective date of change.

RIGHT TO PREPAY

Patron may prepay in full the unpaid balance at any time without penalty; it being understood by the patron that nothing contained in this term is intended to create a revolving account or in any way to change the terms of this agreement.

SECURITY FOR ACCOUNT

Any purchase made pursuant to this agreement shall be secured by a security interest and lien in any investment the patron may have in the cooperative association. Investment means any certificates of indebtedness, note, share, or members equity. The patron does not have the right to demand offset of such investment on this account. Such an offset may be made only at the discretion of the Board of Directors of this association and *will* terminate all further credit privileges.

AGENCY

Until notified in writing to the contrary by the patron, the Cooperative Association may assume that the patron's spouse, children over the age of sixteen years and employees, if any, are authorized to purchase goods or services and charge them to the patron's account. The best protection for the account holder is to list specifically on the credit application all those who have been given express permission to charge on the account.

COLLECTION FEES

In the event that the undersigned fails to pay the account within three months after the purchase date, in addition to the unpaid balance, plus the retail finance charge, the undersigned will be required to pay reasonable attorney's fees where such balance is referred for collection to an attorney, not a salaried employee of the seller, and for court costs.

IN CASE OF ERRORS OR INQUIRIES ABOUT YOUR BILL

The Federal Truth in Lending Act requires prompt correction of billing mistakes.

1. To preserve your rights under the Act, here is what to do if you think your bill is wrong or if you need more information about an item on your bill;
 - a. Do not write on the bill. On a separate sheet of paper write (you may telephone your inquiry but doing so will not preserve your rights under the law) the following:
 - I. Your name and account number (if any).
 - II. A description of the error and an explanation (to the extent you can explain) why you believe it is an error. If you need more information, explain the item you are not sure about and, if you wish, ask for evidence of the charge such as a copy of the charge slip. Do not send in your copy of a sales slip or other document unless you have a duplicate copy for your records.
 - III. The dollar amount of the suspected error.
 - IV. Any other information (such as your address) which you think will help us to identify you or the reason for your complaint or inquiry.
 - b. Send your billing error notice to the address on your bill which is listed after the words: (Send Inquiries To:) Mail it as soon as you can, but in any case, early enough to reach us in 60 days after the billing was made to you.
2. We must acknowledge all letters pointing out possible errors within 30 days of receipt, unless we are able to correct your bill during that 30 days. Within 90 days after receiving your letter, we must either correct the error or explain why we believe the bill was correct. Once we have explained the bill, we have no further obligation to you even though you still believe that there is an error, except as provided in paragraph 5 below.
3. After we have been notified, neither we nor a collection agency may send you collection letters or take other collection action with respect to the amount in dispute; but periodic statements may be sent to you, and the disputed amount can be applied against your credit limit. You cannot be threatened with damage to your credit rating or sued for the amount in question, nor can the disputed amount be reported to a credit bureau or to other creditors as delinquent until we have answered your inquiry. However, you remain obligated to pay the parts of your bill not in dispute.
4. If it is determined that we have made a mistake on your bill, you will not have to pay any finance charges on any disputed amount. If it turns out that we have not made an error, you may have to pay finance charges on the amount in dispute, and you will have to make up any missed minimum or required payments on the disputed amount. Unless you have agreed that your bill was correct, we must send you a written notification of what you owe; and if it is determined that we did make a mistake in billing the disputed amount, you must be given the time to pay which you normally are given to pay the undisputed amounts before any more finance charges or late payment charges on the disputed amount can be charged to you. If our explanation does not satisfy you and you notify us in writing within 10 days after you receive our explanation that you still refuse to pay the disputed amount, we may report you to credit bureaus and other creditors and may pursue regular collection procedures. But we must also report that you think you do not owe the money, and we must let you know to whom such reports were made. Once the matter has been settled between you and the company, we must notify those to whom we reported you as delinquent of the subsequent resolution.
6. If we do not follow these rules, we are not allowed to collect the first \$50 of the disputed amount and finance charges, even if the bill turns out to be correct.

CREDIT AGREEMENT

The Cooperative agrees, if this agreement is approved by the Association, that it shall allow the patron to purchase goods and services on credit and the patron agrees to pay for any goods and services in accordance with the above Credit Policy.

DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE READ IT COMPLETELY.

Approved by the patron:

I/we have read and understand the entire Credit Policy and Agreement and agree to fulfill all my/our obligations under the agreement. I/we acknowledge receipt of a copy of this agreement.

SIGNATURE: _____ NAME PRINTED: _____

SIGNATURE OF SPOUSE OR PARTNER: _____ NAME PRINTED: _____

DATE: _____

Approved by the Cooperative:

BY: _____ TITLE: _____

DATE: _____