

## PESTO SECURED MASTERCARD TRUTH IN LENDING DISCLOSURES

These Truth in Lending Disclosures (“Disclosures”) provide rate, fee, and other important information for the Pesto Secured Mastercard Credit Card. All capitalized terms not defined in these Disclosures are defined in the Pesto Secured Mastercard Credit Card Agreement (“Card Agreement”).

### Interest Rates and Interest Charges

<b>Annual Percentage Rate (APR) for Purchases</b>	<b>29.99%</b>  This APR will vary with the market based on the Prime Rate.
<b>APR for Cash Advances</b>	<b>29.99%</b>  This APR will vary with the market based on the Prime Rate.
<b>Paying Interest</b>	Your due date is at least 21 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 transaction date.
<b>Minimum Interest Charge</b>	There is no minimum interest charge. You will be charged any interest due, regardless of amount.
<b>For Credit Card Tips from the Consumer Financial Protection Bureau (CFPB)</b>	<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>Annual Fee</b>	\$39.96 (\$3.33) billed monthly.
<b>Transaction Fees</b> <ul style="list-style-type: none"><li>Foreign Transaction</li></ul>	Either <b>\$5</b> for each transaction or <b>3%</b> of each transaction amount in U.S. dollars, whichever is greater.

<ul style="list-style-type: none"> <li>• Cash Advance</li> </ul>	Either <b>\$5</b> for each Cash Advance or <b>3%</b> of the amount of each Cash Advance, whichever is greater.
<b>Penalty Fees</b> <ul style="list-style-type: none"> <li>• Late Payment</li> <li>• Returned Payment</li> </ul>	Up to <b>\$40</b> Up to <b>\$40</b>

**How We Will Calculate Your Balance:** We use a method called “average daily balance (including new transactions).”

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

**Annual Fee; Authorized Users:** There is an annual fee of \$39.96, which we will charge to your Account in equal monthly installments of \$3.33.. We will charge the first installment to your Account on the date your Account is opened. The annual fee will renew on each anniversary of the date your Account was opened. If you request a card for an Authorized User, we will charge \$12 for each card, which we will charge to your Account in equal monthly installments of \$1.00. The annual fee(s) will reduce the amount of your available credit. The annual fee(s) are nonrefundable. The annual fee(s) must be paid before Account closure.

**These Disclosures:** These Disclosures are accurate as of [12/20/2024]. This information may have changed after that date. To find out what may have changed, write to us at Pesto, 2093 Philadelphia Pike #9222, Claymont, DE 19703 or call us toll-free at (888) 221-9804.

**How We Will Calculate Your Variable APRs:** The variable APRs on your Account will be determined each Billing Cycle by adding a margin to the Prime Rate (U.S.) as published in the Money Rates section of The Wall Street Journal on the 25<sup>th</sup> day of each month. If The Wall Street Journal is not published on that day, then we will use the immediately preceding edition. Any change to the APR will be effective on the first day of the next Billing Cycle. The margin that will be added to the Prime Rate for Purchases and Cash Advances is 22.49%. As of December 19, 2024, the Prime Rate was 7.5%. The variable APRs may increase or decrease each month if the Prime Rate changes. If the Prime Rate changes, your new variable APRs will take effect as of the first day of your next Billing Cycle. Any increase in the U.S. Prime Rate may increase your interest, daily periodic rates, and your Minimum Payment. If The Wall Street Journal stops publishing the Prime Rate, we will select a similar reference rate. Variable APRs will not exceed the maximum rates permitted by applicable law.

**Secured Credit Card Account:** In consideration of the issuance of this secured credit card account, you agree to pledge an item of personal property (“collateral”) in accordance with the terms in the Security Agreement, which has been provided to you. If you fail to make your required payments on your secured credit card account, you could lose your rights, title and interest in the collateral.

**Cash Advances:** Cash Advances are made available at our discretion and are only available to the extent of your Cash Advance Limit.

**Late Payment Fee:** We have the right to charge you a late payment fee if your total Minimum Payment is not made by the Payment Due Date shown on your Statement. The fee is \$30 if you were not charged a

late payment fee during the prior six consecutive Billing Cycles. Otherwise, it is \$40. The fee will not exceed the amount permitted by law. The fee will be charged to your Account on the day after your Payment Due Date.

**Returned Payment Fee:** We have the right to charge you a returned payment fee each time you make a payment that is returned unpaid for any reason. The fee is \$30 if you were not charged a returned payment fee during the prior six consecutive Billing Cycles. Otherwise, it is \$40. The fee will not exceed the amount permitted by law.

**Express Card Delivery Fee:** There is a \$35 fee per request for an express card delivery.

**How We Will Calculate the Interest Charge:** We use the “average daily balance (including new transactions)” method to calculate the interest charge. This means that at the end of each Billing Cycle, we: (1) multiply your average daily balance (including new transactions) by the daily periodic rate for that transaction type, and (2) multiply the result by the number of days in the Billing Cycle. The “daily periodic rate” is equal to the APR applicable to the transaction type, divided by 365. To get the “average daily balance,” we take the beginning balance of your Account each day of the Billing Cycle, add any new transactions, including Cash Advances, and fees posted that day, and the interest accrued on the previous day’s balance (compounding interest), and then subtract any payments or credits credited to your Account as of that day. This gives us the daily balance. Then, we add up all the daily balances for each day of the Billing Cycle and divide the total by the number of days in the Billing Cycle. This gives us the “average daily balance.” Due to rounding or a minimum interest charge, this interest calculation may vary from the interest charge actually assessed. If any day’s daily balance is a credit balance, we will treat it as a balance equal to \$0.00. If you paid your entire Account balance by the Payment Due Date shown on your Statement in the prior Billing Cycle (i.e., if you have a grace period on Purchases), we will not include new Purchases and Fees made in the current Billing Cycle in the daily balance.

**Daily Periodic Rates:** The daily periodic rate for your Purchase APR and Cash Advance APR is [0.082164] %.

**Grace Period on Purchases:** If you pay your Statement’s New Balance in full by the Payment Due Date shown on your Statement each Billing Cycle, we will not charge you any interest on new Purchases that post to your Account. We refer to this as a grace period on Purchases. If you have a grace period on Purchases, but you fail to pay your next New Balance in full by the Payment Due Date shown on your Statement, we will charge interest on the unpaid Purchase balance and any new Purchases from the date they are posted to your Account, but we will apply any payment that you do make before the Payment Due Date as of the first day in the Billing Cycle.

There is no grace period on transactions or related fees that post to your Account as Cash Advances. Interest will begin accruing on Cash Advances on the transaction date.

**Notice to New York Residents:** New York residents may contact the New York State Department of Financial Services by telephone at (800) 342-3736 or visit its website at <https://www.dfs.ny.gov/> for free information on comparative credit card rates, fees and grace periods.

**Military Lending Act (MLA) Disclosure:** The following disclosure applies to persons covered by the MLA. Other governmental programs and laws may also govern or apply to this transaction but are not described in the following disclosure. 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 credit application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account). To receive

this information and a description of your payment obligation verbally, please call the following toll-free number (888) 221-9804.

**California Residents:** The applicant, if married, may apply for a separate Account.

**Delaware Residents:** Service charges not in excess of those permitted by law will be charged on the outstanding balances from month to month.

**Illinois Residents:** (a) No applicant may be denied a credit card on account of race, color, religion, national origin, ancestry, age (between 40 and 70), sex, marital status, physical or mental disability unrelated to the ability to pay or unfavorable discharge from military service; (b) the applicant may request the reason for rejection of his or her application for a credit card; (c) no person need reapply for a credit card solely because of a change in marital status unless the change in marital status has caused a deterioration in the person's financial position; and (d) a person may hold a credit card in any name permitted by law that he or she regularly uses and is generally known by, so long as no fraud is intended thereby.

**Maryland Residents:** Finance charges will be made in amounts or at rates not in excess of those permitted by law.

**Ohio Residents:** The Ohio laws against discrimination require that all creditors make credit equally available to all credit-worthy customers and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with the law.

**Married Wisconsin Residents:** You confirm that this Account is being incurred in the interest of your marriage or family. No provision of any marital property agreement, unilateral statement, or court decree under the Wisconsin Marital Property Act adversely affects our interest unless, prior to the time the credit is granted, we are furnished a copy of the agreement, statement or decree or have actual knowledge of the adverse provision when your Account is opened. You understand we may be required to give notice of this Account to your spouse. Married Wisconsin residents must furnish the name and address of their spouse to us at 2093 Philadelphia Pike #9222, Claymont, DE 19703.

**Notice to Residents of All States, including New York, Rhode Island, Vermont:** You understand and agree that a consumer credit report may be obtained in connection with your application and from time to time in connection with any updates, renewals, or extensions of any Account issued as a result of your application. Upon your request, you will be informed of whether or not a consumer credit report was obtained and, if it was, you will be given the name and address of the consumer reporting agency that furnished the report. You also give us and our agents, successors, and assigns permission to access your consumer credit report in connection with any transaction, or extension of credit, and on an ongoing basis, for the purpose of reviewing your Account, taking collection action on your Account, or for any other legitimate purposes associated with your Account.

## **Security Agreement**

This Security Agreement (“Agreement”) is entered into between you (“Borrower”) and Continental Bank (“Lender”). Please read this Agreement in its entirety and keep it for your records.

**1. Borrower’s Obligations.** The word “Obligations” means any and all of Borrower’s existing and future debt and liabilities now or hereafter owed to Lender under this Agreement and the Pesto Secured Mastercard Credit Card Agreement.

**2. Grant of Security Interest.** As security for the payment and performance in full of all the Obligations, Borrower hereby grants to Lender a lien on, and security interest in and to, all of Borrower’s rights, title and interest in, to and under the following property, whether now owned or existing or hereafter acquired or arising and wheresoever located (i) all personal property previously described by the Borrower in the Pesto Secured Mastercard application flow (“Application”), which Application is incorporated into this Agreement and made a part hereof and (ii) all proceeds and products of the foregoing (said property described in clauses (i) and (ii) is hereinafter referred to collectively as the “Collateral”). Borrower has, or will within the time period otherwise agreed to between the Borrower and the Lender, transfer actual physical possession and control of the Collateral to Lender. Borrower further agrees that Lender has the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

**3. Borrower Representations and Warranties.** Borrower represents and warrants that: (1) Borrower is the lawful owner of the Collateral free and clear of all security interests, liens, encumbrances, pledges, and claims of others (other than pursuant to this Agreement), or any restrictions which would prohibit or restrict the sale of the Collateral in the event of default; (2) Borrower has the full right, power and authority to enter into this Agreement and to transfer possession and control of, and to grant a security interest in, the Collateral to Lender to secure payment and performance in full of all the Obligations; (3) Borrower will notify the third-party acting on behalf of Lender of any changes to their contact information including email address; (4) Borrower will not use the Collateral to secure any other loans and there will be no financing statement or similar filing on record in any public office covering any part of the Collateral filed either by Borrower or a party who is not a party to this Agreement; (5) Borrower will not use, pledge, sell or transfer ownership of the Collateral until the balance on the credit card account is fully paid off and the account has been closed; and (6) the Collateral constitutes “goods” under the Uniform Commercial Code as in effect in the State of Utah on the date hereof (the “Code”) and ownership of the Collateral is not governed by a document (as defined by the Code).

**4. Possession of Collateral.** Lender’s custodian, who shall maintain possession and exercise control over the Collateral on Lender’s behalf and in Lender’s place and stead, will use reasonable care in the physical preservation and custody of the Collateral in its possession.

**5. Events of Default.** Each of the following constitutes an event of default under this Agreement and the Pesto Secured Mastercard Credit Card Agreement: (1) Borrower fails to make a required payment owed to the Lender from time to time when due (subject to Section 6); (2) Borrower gives the Lender or a third-party acting on behalf of Lender false or misleading information; (3) Borrower dies or is declared legally incompetent; (4) Borrower fails to comply with or to perform any term, obligation, covenant or condition contained in this Agreement or the Pesto Secured Mastercard Credit Card Agreement; (5) The commencement of any proceeding under any receivership, bankruptcy or insolvency laws by or against Borrower; or (6) any portion of the Collateral is, or becomes, subject to a document (as defined in the Code) and Borrower fails to provide Lender with possession of such document.

**6. Cure Provisions.** If an event of default has occurred, it may be cured if Borrower, after receiving written notice demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than 15 days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical; provided, that, Lender is not required to provide Borrower with this opportunity to cure if Borrower has breached the same provision of the Pesto Secured Mastercard Credit Card Agreement within the preceding 12 months and was previously provided with this opportunity to cure. If an event of default occurs as a consequence of Borrower's failure to make a required payment when due, Borrower will be provided written notices that will provide Borrower the opportunity to cure the default within a 60-day grace period before the Collateral will be retained by Lender pursuant to consent by Borrower or sold.

**7. Rights and Remedies After an Event of Default.** If an event of default occurs under this Agreement and is not cured within the designated timeframe, Lender may exercise any one or more of the following rights and remedies in addition to any other rights and remedies Lender may have under law: (1) Declare all Obligations immediately due and payable, without notice of any kind to Borrower; (2) Retain possession of the Collateral in full satisfaction of the Obligations pursuant to consent by Borrower; (3) Sell the Collateral.

**8. Sale of Collateral.** If an event of default occurs under this Agreement and is not cured within the designated timeframe, Lender may sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of Lender's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as Lender may deem commercially reasonable, irrespective of the impact of any such sales on the market price of the Collateral. To the maximum extent permitted by applicable law, Lender may be the purchaser of any or all of the Collateral at any such sale and will be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any Collateral payable at such sale. Each purchaser at any such sale will hold the property sold absolutely free from any claim or right on the part of Borrower, and Borrower hereby waives (to the extent permitted by law) all rights of redemption, stay, or appraisal that it now has or may at any

time in the future have under any rule of law or statute now existing or hereafter enacted. Borrower agrees that, to the extent notice of sale may be required by law, at least 10 calendar days' notice to Borrower of the time and place of any public sale or the time after which a private sale is to be made will constitute reasonable notification. Lender will not be obligated to make any sale of Collateral regardless of notice of sale having been given. Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. To the maximum extent permitted by law, Borrower hereby waives any claims against Lender arising because the price at which any Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale, even if Lender accepts the first offer received and does not offer such Collateral to more than one offeree. After the disposal of any of the Collateral, Lender may deduct all reasonable legal and other expenses and attorney's fees for protecting its interests and enforcing its remedies under this Agreement and may apply the residue of the proceeds to, or hold as a reserve against, the Obligations in such manner as Lender in its sole discretion may determine, and if required will pay the balance, if any, to Borrower or otherwise, in accordance with applicable law.

**9. Application of Proceeds.** Lender shall apply any cash which is received from the collection or sale of the Collateral, to reimbursement of any expenses, including any commissions incurred in connection with a sale, attorneys' fees and court costs, whether or not there is a lawsuit and including any fees on appeal, incurred by Lender in connection with the collection and sale of such Collateral and to the payment of the Obligations of Borrower to Lender. Any excess funds will be paid to Borrower only if the Borrower has submitted a written objection to Lender's Proposal to Retain Collateral in Full Satisfaction of Debt in a timely manner as designated in the Proposal or if otherwise required by law. Borrower agrees, to the extent permitted by law, to pay any deficiency after application of the proceeds of the Collateral to the Obligations.

**10. Severability.** If any provisions of this Agreement are deemed invalid or unenforceable, the rest of the Agreement will continue in full force and effect.

**11. Modifications to this Agreement.** Lender reserves the right to modify the terms and conditions of this Agreement unless prohibited by law. A third-party acting on behalf of Lender will give Borrower notice on or before the effective date of any such modification. If Borrower does not agree to any such modification, Borrower may notify the third-party acting on behalf of Lender in writing within 10 business days of the date of the notice of that modification. Borrower will be deemed to have agreed to any such modification on the effective date if Borrower does not send the third-party acting on behalf of Lender a written notice within the designated timeframe. Borrower will still be required to comply with the Agreement as it existed prior to the modification. Lender reserves the right to terminate this Agreement and the Pesto Secured Mastercard Credit Card Agreement as a result of Borrower's rejection of any modifications to this Agreement.

**12. Governing Law, Jurisdiction, Venue and Waiver of Right to a Jury Trial.** This Agreement will be governed by the laws of the State of Utah without regard to its conflicts of law provisions. The class action waiver in the Consumer Secured Credit Card

Agreement applies to this Agreement. Except for matters that are subject to the arbitration provisions of the Pesto Secured Mastercard Credit Card Agreement executed concurrent with this Agreement, Borrower consents to the nonexclusive jurisdiction of Utah State courts, and specifically consents to venue in the Third District Court located in Salt Lake County, Utah, in any and all actions and proceedings between the parties hereto arising under or growing out of this Agreement or any of the Obligations, and irrevocably agrees to service of process by any means authorized under Utah law. Debtor and Secured Party hereby waive any right to a jury trial with respect to any matter arising under or in connection with this Agreement or any amount or obligation secured hereby.

**13. No Waiver by Lender.** No delay on the part of Lender in exercising any of its options, powers or rights under this Agreement, shall constitute a waiver thereof, nor shall any single or partial exercise of any right preclude other or further exercises of any other right.

**14. Successors and Assigns.** This Agreement will bind and inure to the benefit of the respective successors, heirs, beneficiaries and permitted assigns of each of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned by Borrower without Lender's prior written consent, which consent may be granted or withheld in Lender's sole discretion. Lender will have the right without the consent of or notice to Borrower to sell, transfer, negotiate, or grant participation in all or any part of, or any interest in, Lender's obligations, rights and benefits hereunder.