

## PERSONAL CHEQUE PLUS AGREEMENT

The information below constitutes the terms and conditions of the Cheque Plus loan account. You agreed to these terms and conditions by signing your Cheque Plus application. In this Agreement, the words "you" and "your" refer to each applicant and co-applicant who signed the Cheque Plus application. The words "we", "us", and "our" mean National Grand Bank.

Whenever you use your Cheque Plus loan account, you agree to pay to us the amount of the loan, any Finance Charges, and any other applicable charges.

### 1. Description of What Cheque Plus Is:

The ("Depositor") has requested that **NATIONAL GRAND BANK** open a Cheque Plus ("Loan Account") which is an Open End Credit Account to be used in connection with the Depositor's checking account. Subject to the following terms and conditions: Those persons authorized to sign on the checking account hereinafter called "Depositor" are hereby entitled to borrow from the Bank to the extent of the unused portion of the "Available Credit" which "Line of Credit" will be fixed by the Bank as the aggregate loan limit available under the Cheque Plus Account.

### 2. Loans:

These loans are created by the presentment to the Bank of any checks drawn by the Depositor, using an Automatic Teller machine (ATM) or any valid charges which when honored would cause an overdraft on the Depositor's checking account. A loan can also be created by a transfer requested by the Depositor of a specified sum to be charged against the Depositor's checking account. A loan can also be created by a transfer requested by the Depositor of a specified sum to be charged against the Depositor's Cheque Plus Account and credited to the Depositor's checking account balance. In the event of the overdraft condition the Bank will advance funds to cover the overdraft; provided, that there are sufficient funds in the amount of available credit to accomplish this, although Bank is not required to honor any check which when paid would create an overdraft larger than the amount of available credit. They may at their discretion create an "Over Loan" which will be understood by the Depositor to be a temporary increase in the Depositor's regular credit line. They further shall understand that the amount of the "Over Loan" credit so extended shall at the option of the Bank be due and payable immediately. All loans or "Advances" as they will sometimes be referred to will be charged against the Depositor's Cheque Plus balance and the proceeds will be credited to the Depositor's checking account. Every "Advance" as indicated above made by the Bank and charged to the Depositor's Cheque Plus account will constitute a loan to the Depositor.

### 3. Finance Charge:

"The finance charge shall be a fixed annual rate of 18.0%"

A. Annual Fee: No Annual Fee

B. Late Payment: No Late Payment Fee

C. Determination of Finance Charge: At the end of each day, your current daily loan balance will be calculated. To compute your Finance Charge we multiply your average daily balance for the billing cycle by the number of days in the billing cycle. We then multiply that figure by the daily periodic rate in effect for the billing cycle (currently .0493151% which is an Annual Percentage Rate of 18%).

D. Method of Computing; the Average Daily Loan Balance: Each new loan and other charges will be added to, and any payments and credits will be deducted from, the prior day's outstanding loan balance. Wee total these daily balances and divide the total by the number of days in the billing cycle. The result is your average daily balance on which a Finance Charge is imposed.

E. Grace Period for Repayment of Outstanding Balance: You have no grace period in which to repay your outstanding balance before a Finance Charge is imposed.

### 4. Repayment Terms:

Payment terms shall be made monthly in the amount of \$25.00 or an amount equal to 1/20th of the outstanding principal balance (rounded to the next higher dollar) whichever is larger. Payments will be applied first to the accrued finance charge and the balance against the principal amount owed. Depositor authorizes Bank to charge such payment shown as due on statement to Depositor's checking account on the charge date as shown on statement. If there are not sufficient funds in the checking account to accomplish this the Depositor agrees to make such payment within 5 business days of the above mentioned charge date. Depositor shall have the right to repay the outstanding loan balance full or in part any time.

### 5. Statements:

The Bank shall furnish monthly periodic statements which shall reflect: previous balance, check loans made, payments received, finance charge, new balance, minimum payment due, and remaining credit available. The statement will be considered correct unless customer notifies Bank in writing to the contrary within 15 days of the statement date.

## IN CASE OF ERRORS OR INQUIRIES ABOUT YOUR CHEQUE PLUS STATEMENT

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

A. If you want to preserve your rights under the Act, here's what to do if you think your Cheque plus statement is wrong, or if you need more information about an item on your statement.

(i.) Do not write on the statement. On a separate sheet of paper (you may telephone your inquiry but doing so will not preserve your rights under this law) the following: (1) your name and Cheque Plus account number; (2) a description of the error and an explanation (to the extent you can explain) why you believe it is an error; (if you only need more information, explain the item you are not sure about and, if you wish, ask for evidence of the transaction such as a copy of the processed check, deposit slip or withdrawal slip. Do not send in your copy of the document unless you have a duplicate copy for your records); (3) the dollar amount of the suspected error; (4) any other information (such as your address) which you think will help the Bank to identify you or the reason for your complaint or inquiry.

(ii) Send your billing error notice to the address on your statement which is listed after the words, "Send Inquiries To:", or to **National Grand Bank, 91 Pleasant Street, Marblehead, MA 01945**. Mail it as soon as you can, but in any case early enough to reach the Bank within **60 days** after the statement was mailed to you. If you authorized the Bank to automatically charge your checking or savings account for any Cheque Plus payments, you can stop or reverse payment on any amount you think is wrong by mailing your notice so we can receive it within **16-days** after the statement was sent to you. However, you do not have to meet this **16-day** deadline to get us to investigate your billing error claim.

B. The Bank must acknowledge all letters pointing out possible errors within **30 days** of receipt, unless the Bank is able to correct your statement during that **30 days**. Within **90 days** after receiving your letter, the Bank must either correct the error or explain why we believe the statement was correct. Once the Bank has explained the statement, we have no further obligation to you even though you still believe that there is an error, except as provided in paragraph 5 below.

C. After the Bank has been notified, neither the Bank nor an attorney 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 the Bank has answered your inquiry. However, you remain obligated to pay the parts of your statement not in dispute.

D. If it is determined that the Bank has made a mistake on your statement, you will not have to pay any finance charges on any disputed amount. If it turns out that the Bank has 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 statement was correct, the Bank must send you a written notification of what you owe, and if it is determined that the Bank did make a mistake in billing the disputed amount, our must be given the time to pay which you normally are given to pay undisputed amounts before any more finance charges or late payment charges on the disputed amount can be charge to you.

E. If the Bank's explanation does not satisfy you and you notify us IN WRITING within **10 days** after your 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 the Bank 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 Bank, we must notify those to whom we reported you as delinquent of the subsequent resolutions.

F. If the Bank does not follow these rules, we are not allowed to collect the first **\$50** of the disputed amount and finance charges, even if the statement turns out to be correct.

### 6. Credit Limits:

Bank may increase or decrease the Depositor's maximum credit limit by written notice at least 5 days in advance of the effective date of such increase or decrease.

### 7. Default:

This Agreement will be considered in default on the happening of any of the following: closing of the checking account by the Depositor, failure to meet any minimum monthly payment or to ay on demand any amount in excess of the Depositor's maximum credit limit ("Over Loan"). failure to pay any other obligations to the Depositor to the Bank, upon the closing or attachment my legal process or otherwise of the Depositor's checking account, upon the death, assignment for the benefit of creditors, commencement of bankruptcy proceedings, on the occurrence of any material changes in the financial status of the Depositor, or if any financial statement given by the Depositor to the Bank proves to be false or mislead in, or if the Bank should at any time deem itself insecure. The Bank may at its sole option and without notice to or demand upon customer restrict the use of the account and/or suspend, terminate and/or reduce the line of credit and/or declare all or any part of the then unpaid balance of loans and accrued finance changes to be immediately due and payable. Depositor shall be liable for all of Bank's cost of collection, if any, including attorneys' fees, whether or not court proceedings have been commenced to the extent permissible by law.

**9. Amendment:**

Bank may from time to time amend these terms including, without limitation, provisions relating to minimum payments, annual membership fee or rate(s) of Finance Charge, by written notice mailed or delivered to Holder not later than 15 days (90 days if a change in the rate of Finance Charge) prior to the beginning date of the billing period during which the effective date of such amendment is to occur. Any such amendment shall be effective as to all extensions of credit after the effective date as well as to the balance outstanding in Holder's Account on such date unless Holder terminates this agreement and surrenders to Bank by such date the Card(s) and all unused Checks and other forms supplied to Holder. All obligations of either party to the other incurred or existing as of the time of any termination of this agreement shall survive such termination.

**10. Termination:**

This Agreement may be terminated by either the Bank or the Depositor by written notice to the other at least ten (10) days in advance of the effective date of the termination, but Bank's closing of the Depositor's checking account to which this Agreement applies shall automatically terminate the Agreement effective immediately.

**11. Right to Offset:**

The Bank has a right to set-off against deposit balances which provides that if Depositor is in default Bank may without notice, apply funds in Depositor's checking or any other deposit account to satisfy in full or in part Depositor's debt to Bank. In addition to this right of set-off the Depositor grants to the Bank a security interest in all deposits or other property of the Depositor now or hereafter in the Bank's possession as security for any and all liabilities at any time incurred by Depositor to the Bank now existing or hereafter arising. The Bank may at its option exercise its right of set-off without relying upon the security interest granted hereunder. The Depositor agrees to furnish Bank with financial statements from time to time in such detail as Bank may require.

**12. More Than One Depositor:**

if the application is signed by two or more persons, (a) the word "Depositor" shall include both of them; (b) advances may be made in behalf of any of them provided that the aggregate amount of loans does not exceed the maximum credit line; (c) any one of them may terminate this agreement; (d) all of their obligations hereunder shall be joint and several and (e) the word "Depositor" in paragraph 8 thereof relating to default shall be deemed to mean any one of them.

**13. Waiver:**

No delay by the Bank in exercising any right or remedy hereunder shall constitute a waiver thereof. Any waiver by the Bank on any one occasion of any requirement of this agreement or of any default hereunder, including, without limitation, the requirement that advances and transfers of funds be made by transfer orders, shall not constitute a waiver of such requirements or default on another occasion or of any other requirement or default.

**14. Assignment:**

Neither this agreement nor any rights or privileges of the Depositor hereunder may be assigned to any other person, but the obligations of the Depositor hereunder shall be binding upon the Depositor's heirs and legal representatives.

**15. Evidence:**

Any photographic or mechanical reproduction of any transfer order or other document relating to the Depositor's checking account of the Depositor's loan account shall be competent evidence of any transaction involving the original document.

**16. Paragraph Titles:**

The titles of the paragraphs in this agreement are included for purposes of reference only and have no legal or other significance. This Agreement and all loans made hereunder shall be interpreted under the laws and in the Courts, State or Federal of the Commonwealth of Massachusetts.

Interest Rate and Interest Charges	
Annual Percentage Rate (APR)	18.0%
APR for Balance Transfers	Not Applicable
APR for Cash Advances	Not Applicable
Penalty APR and When it Applies	Not Applicable
How to Avoid Paying Interest	No grace period in which to repay your outstanding balance before Finance Charge is imposed
Minimum Charge	Monthly payments of \$25.00 or 1/20th of the outstanding principal balance whichever is greater.
Fees	
Annual Fee and Maintenance Fees	No Annual Fee No Maintenance Fee
Transaction Fees	No Transaction Fees
Penalty Fees	No Penalty Fees
Other Fees	No Other Fees

**How We Calculate Your Balance**

Average Daily Balance: Each new loan and other charges will be added to, and any payments and credits will be deducted from, the prior day's outstanding loan balance. We total these daily balances and divide the total by the number of days in the billing cycle. The result is your average daily balances on which a finance charge is imposed.

**Billing Rights:** Refer to account agreement for details on billing-error rights.

*National Grand Bank*  
*We're Your Community Bank!*

FDIC

TEL (781) 631-6000



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91 Pleasant Street, Marblehead, MA 01945

*Cheque Plus*

**Agreement**